



**Finance and Budget Committee
Tuesday, March 12, 2024
Lorraine H. Morton Civic Center 5:00 PM**

Join Zoom Meeting

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AGENDA

Page

1. CALL TO ORDER/DECLARATION OF A QUORUM

2. PUBLIC COMMENT

3. APPROVAL OF MINUTES

M1. Approval of February 13, 2024 Finance & Budget Committee meeting minutes.

4 - 6

For Action

[Finance and Budget Committee - Feb 13 2024 - Minutes - Pdf](#)

4. CONSIDERATION

- FB1. **Recommendation Regarding Issuance of GO Bonds for CIP Projects** 7 - 25

Staff recommends that the Finance & Budget Committee provide direction on funding for 2022-2024 capital projects including the timing and amount of GO Bonds, use of line of credit, or identification of any other funding source.

For Action

[Recommendation Regarding Issuance of GO Bonds for CIP Projects - Attachment - Pdf](#)

5. DISCUSSION

- D1. **Discussion about Policy on Unbudgeted Capital Projects and Capital Cost Overruns** 26 - 30

Staff will provide information related to different causes and types of unbudgeted capital expenses for the purposes of discussion by the committee.

For Discussion

[Discussion about Policy on Unbudgeted Capital Projects and Capital Cost Overruns - Attachment - Pdf](#)

- D2. **Discussion regarding Unallocated ARPA Funding** 31 - 32

Discussion only.

For Discussion

[Discussion regarding Unallocated ARPA Funding - Attachment - Pdf](#)

- D3. **Discussion Regarding Credit Card Fees** 33 - 35

Discussion only.

For Discussion

[Discussion Regarding Credit Card Fees - Attachment - Pdf](#)

- D4. **Discussion Regarding Property Tax Loss Factor** 36 - 39

Discussion only.

For Discussion

6. ADJOURNMENT



City of
Evanston™
MINUTES

Finance and Budget Committee

Tuesday, February 13, 2024 @ 5:00 PM

Lorraine H. Morton Civic Center

**COMMITTEE MEMBER
PRESENT:**

David Livingston, Resident, Clare Kelly, Councilmember, Jonathan Nieuwsma, Councilmember, Bobby Burns, Councilmember, Devon Reid, Councilmember, Leslie McMillan, Committee Member, Shari Reiches, Committee Member, and Lara Biggs, City Engineer

**COMMITTEE MEMBER
ABSENT:**

Melissa Wynne, Councilmember

STAFF PRESENT:

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

1. CALL TO ORDER/DECLARATION OF A QUORUM

Chair Livingston called the meeting to order at 5:02 P.M.

2. PUBLIC COMMENT

Jack Mortel commented on the Fire Pension and the property tax levy.

Tim Schoolmaster commented on the Police Pension.

Brian Becharas commented on the lease agreement at 909 Davis and the acquisition of 430 Asbury.

Trisha Connolly commented on the lease agreement at 909 Davis.

Meg Welch commented on the lease agreement at 909 Davis.

3. APPROVAL OF MINUTES

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

Minutes Approved

Moved by Councilmember Reid

Seconded by Councilmember Kelly

Ayes: Livingston, Kelly, Nieuwsma, Burns, Reid, McMillan, and Reiches
Motion Passed 7-0 on a recorded vote

Item passed.

4. CONSIDERATION

FB1. Review and Approval of the Staff Recommended "Peer Communities"

Michael Van Dorpe, Financial Analyst, presented and facilitated discussion on this item.

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.

Moved by Councilmember Reid
Seconded by Councilmember Kelly

Ayes: Livingston, Kelly, Nieuwsma, Burns, Reid, McMillan, and Reiches
Motion Passed 7-0 on a recorded vote

Item passed.

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

Hitesh Desai, CFO, presented and facilitated discussion on this item.

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.

Moved by Councilmember Nieuwsma
Seconded by Councilmember Reid

Ayes: Livingston, Nieuwsma, Burns, and Reiches
Nays: Kelly, Reid, and McMillan
Motion Passed 4-3 on a recorded vote

Item passed.

5. DISCUSSION

D1. Discussion Regarding Property Tax Loss Factor

Clayton Black, Budget Manager, presented and facilitated discussion on this item. Staff shared data that showed actual property tax revenues compared to the Gross Property Tax Levy. Staff noted that they are comfortable with keeping the loss factor at the same level in

FY2025, but are open to reducing it at the direction of the Committee or Council.

The Committee requested this item return for Discussion at the March 9 Finance & Budget Committee meeting showing similar data and adding the Net Levy figures.

D2. Discussion Regarding Credit Card Fees

The Committee agreed to table this discussion until the March 9 Finance & Budget Committee Meeting.

D3. Discussion Regarding Preliminary 2023 Financials

Chair Livingston gave an overview of this item. He noted that the key takeaway is that the projections staff provided in Fall 2023 were fairly accurate and close to the preliminary actual FY 2023 figures. All final FY 2023 numbers are preliminary until the completion of the Annual Audit later in 2024.

D4. Discussion Regarding Civic Center and Police/Fire Headquarters

Lara Biggs presented on the process and findings of the AECOM reports about the potential relocation of the Civic Center and Police/Fire Headquarters.

At the January 22, 2023 City Council Meeting, staff shared a similar presentation and discussion about the AECOM report, and the City Council voted to authorize the City Manager to execute a contract for a lease at 909 Davis Street to house City Hall functions.

Many Committee Members expressed their concerns that these items, as well as the purchase of property at 430 Asbury, did not come to the F&B Committee prior to being added to a City Council Agenda.

The Committee recommended that an item be added to the March 9 Finance & Budget Committee meeting to discuss a policy on unbudgeted items or overrun capital expenses of a certain threshold going through the Finance & Budget Committee prior to going to City Council.

6. ADJOURNMENT

Chair Livingston adjourned the meeting at 7:04 P.M.



Memorandum

To: Members of the Finance and Budget Committee
 From: Hitesh Desai, Chief Financial Officer/Treasurer
 Subject: Recommendation Regarding Issuance of GO Bonds for CIP Projects
 Date: March 12, 2024

Recommended Action:

Staff recommends that the Finance & Budget Committee provide direction on funding for 2022-2024 capital projects including the timing and amount of GO Bonds, use of line of credit, or identification of any other funding source.

Committee Action:

For Action

Summary:

Over the past two years, the City has approved three bond reimbursement resolutions (4-R-22, 19-R-23, and 15-R-24) allowing the City to spend money on CIP projects from potential future bond issuances for 2022, 2023, and 2024 CIP projects. These resolutions total \$57,180,500 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.

Fund	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	\$ 0	\$ 950,000	\$ 550,000
Water Fund	\$ 0	\$ 3,498,000	\$ 9,750,000
TOTAL	\$ 10,928,000	\$ 17,706,000	\$ 29,176,500

The entire cash balances of the Water and Capital Improvement Funds have been depleted to make payments on projects approved by the City Council and staff is seeking direction from the Finance and Budget Committee regarding (1) the timing and amount of GO Bonds, (2) the use of line of credit through Byline Bank or (3) the identification of any other funding source.

Capital Improvement Fund GO Bonds

Thus far, the City Council has not approved the issuance of bonds or a different funding source for these projects. The City has used a variety of means to pay for these projects while waiting for the issuance of bonds or the identification of another funding source including (1) use of cash that the City owes to the Illinois Department of Transportation but has not yet been invoiced for on six completed projects, (2) transfer of \$3.3 million in excess reserves from the General Fund, and (3) \$5 million in temporary advances from the General Fund to the Capital Improvement Program Fund.

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, the projects approved by the City Council as a part of the 2022, 2023, and 2024 budgets are ongoing. In most cases, significant payments have been made to contractors towards the projects' costs. This has greatly impacted the cash flow of the Capital Improvement Fund. Unaudited financials show the Capital Improvement Fund at a negative fund balance of (\$6,765,257) and a negative cash balance of (\$275,980) as of 1/31/24. Additionally, a cash transfer of \$3,264,226 in General Fund reserves has been made to cover project overages, which is artificially propping up the cash balance. 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. The current negative fund balance is approximately \$12.4 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.

As shown in the table below, it is recommended that the Finance and Budget Committee provide direction regarding \$18,012,000 in GO bonds for 2022 and 2023 projects. Of this \$18 million, \$16.1 million has been obligated by the City Council towards approved projects with \$7.7 million expensed. Exhibit 1 and 2 lists the specific projects that have been approved by City Council with the amounts obligated and expensed for 2022 and 2023. Issuing GO bonds would reimburse the City for work completed on 2022 and 2023 projects and provide the cash needed to make payments towards 2024 projects until a GO bond is issued for those projects.

	Adopted Budget	GO Bond Obligated to Date (3/1/2024)	GO Bond Expensed to Date (3/1/2024)	Recommended Bond Issue
FY 2022 (4-R-22)	\$ 10,928,000	\$ 5,150,025	\$ 3,779,936	\$ 5,977,000
FY 2023 (19-R-23)	\$ 14,208,000	\$ 10,906,443	\$ 3,878,970	\$ 12,035,000
TOTAL	\$ 25,136,000	\$ 16,056,468	\$ 7,658,906	\$ 18,012,000

Water Fund GO Bonds

In addition to the CIP Fund, the Water Fund has continued to draw on its cash balance in lieu of issuing bonds. As of 1/31/24, the fund has a preliminary fund balance of \$873,972 and a negative cash balance of (\$1,662,403). As of 1/31/23, the Water Fund had a cash balance of \$8,627,711. This cash balance fluctuates significantly as a number of IEPA and WIFIA revolving loans are utilized on a reimbursement basis. However, the City will be receiving large invoices for the water intake project later this summer and needs cash on hand to make these payments while awaiting reimbursement.

As shown in Exhibit 3, it is recommended that the Finance and Budget Committee provide direction regarding \$18,479,000 in GO bonds for water projects.

Cash and Investment Summary

Exhibit 4, attached, is a cash and investment summary by fund showing total cash and investments as of 1/31/23 and 1/31/24. As it shows, the City has significantly drawn down cash across all funds as cash now totals \$117.9 million compared to \$139.3 million in 2023. Here are a few highlights from this table showing the need to issue bonds:

- The Capital Improvement Fund shows a negative cash balance and is now utilizing an advance from the General Fund to make payments towards projects. As it shows, should IDOT bill the City for any of the \$8.2 million in outstanding invoices, the City would need to utilize its temporary line of credit.
- Aligning with projections provided by staff to the Finance and Budget Committee, total cash in the General Fund decreased by \$12 million from 1/31/23 to 1/31/24.
- The ARPA Fund (\$26.8 million), MFT Fund (\$6.4 million), and other funds maintain fairly large cash balances, but are restricted in use by the State and Federal government.

GO Bond Environment

At the January 2024 Finance and Budget Committee Anthony Miceli from Speer Financial provided an overview of the bond and interest environment for GO Bonds. As he noted, the City would likely be looking at interest rates around 4% for a bond totaling \$30 million. Attached is the latest report from Speer Financial highlighting the current bond environment. Issuing bonds is typically a three month process and staff is seeking a recommendation from the Finance and Budget Committee on the timing and amount of GO Bonds or the use of line of credit through Byline Bank or the identification of any other funding source.

Attachments:

[Exhibit 1 - 2022 GO Bonds](#)

[Exhibit 2- 2023 GO Bonds](#)

[Exhibit 3 - Water GO Bonds](#)

[Exhibit 4- Cash and Investment Summary](#)

[Exhibit 5 - City of Evanston - Preliminary Numbers - 3.6.24](#)

[Exhibit 6 - Municipal Market Snapshot as of 3.6.24](#)

Exhibit 1 2022 General Obligation Bond Issue Project List						
		2022 Adopted Budget	GO Bond Obligated to Date (3/1/24)	GO Bond Expensed To Date (3/1/24)	Recommended Bond Issue	Difference (Budget to Recommend Bond Issue)
Street Resurfacing, Water Main, and Sewer						
1	Church St Corridor Improvement, Ph II Engr	\$300,000	\$0	\$0	\$0	-\$300,000
2	Green Bay Road, McCormick to Isabella, Ph II Engr	\$490,000	\$0	\$0	\$0	-\$490,000
3	Main Street, Hartrey to Asbury, Ph II Engr	\$200,000	\$0	\$0	\$0	-\$200,000
4	Street Resurfacing - Poplar, South End (S. of Colfax) to Livingston	\$50,000	\$51,000	\$50,000	\$50,000	\$0
Total Street Resurfacing, Water Main, and Sewer Projects		\$1,040,000	\$51,000	\$50,000	\$50,000	-\$990,000
Other Transportation						
5	Bridge Inspection	\$40,000	\$35,750	\$12,512	\$40,000	\$0
6	Bus Stop ADA Improvements	\$30,000	\$0		\$0	-\$30,000
7	Central Street Bridge Construction	\$500,000	\$0		\$0	-\$500,000
8	Fiber Optic System Upgrades	\$500,000	\$0		\$0	-\$500,000
9	Lake Street Viaduct Lighting	\$40,000	\$0		\$0	-\$40,000
10	Ridge Avenue Intersection Improvements - Const	\$168,000	\$623,917	\$118,333	\$624,000	\$456,000
11	General Phase I Engineering	\$30,000	\$34,750	\$34,750	\$22,000	-\$8,000
12	Pavement Marking	\$160,000			\$0	-\$160,000
13	Streetlight Pole and Fixture Replacement	\$125,000	\$264,590	\$264,590	\$265,000	\$140,000
14	Street Patching Program	\$700,000			\$0	-\$700,000
15	Street Rejuvenation	\$30,000			\$0	-\$30,000
16	Sidewalk Improvement Program	\$350,000	\$360,520	\$356,614	\$361,000	\$11,000
17	Traffic Calming, Bicycle & Ped Improvements	\$200,000	\$157,799	\$141,438	\$225,000	\$25,000
Total Other Transportation Projects		\$2,873,000	\$1,477,326	\$928,237	\$1,537,000	-\$1,336,000
Parks						
18	Beck Park Expansion/Shore School - Consulting Svcs	\$120,000	\$75,111	\$70,297	\$76,000	-\$44,000
19	Tennis Court Resurfacing - James, Crown, Bent, Burnham Shores	\$500,000	\$450,000	\$450,000	\$450,000	-\$50,000
20	Chandler Tot Lot - Playground	\$150,000	\$0		\$0	-\$150,000
21	Fence Replacement - Various Parks	\$100,000	\$0		\$0	-\$100,000
22	Larimer Park Improvements - Consulting Services	\$25,000	\$25,000	\$0	\$25,000	\$0
23	Fountain Square - Panel Update	\$25,000	\$0		\$0	-\$25,000
24	Independence Park - Consulting Svcs	\$90,000	\$93,416	\$71,021	\$95,000	\$5,000
25	James Park - Improvements	\$100,000	\$491,500	\$491,500	\$492,000	\$392,000
26	Parks Contingency	\$100,000	\$55,301	\$55,301	\$100,000	\$0
27	Parks Strategic Master Plan - Consulting Svcs	\$130,000	\$214,500	\$140,982	\$215,000	\$85,000
28	Skate Park	\$1,250,000	\$1,250,000	\$868,499	\$1,250,000	\$0
29	Tallmadge Park - Athletic Field Renovations - Consulting Svcs	\$35,000	\$0	\$0	\$0	-\$35,000
Total Parks Projects		\$2,625,000	\$2,654,828	\$2,147,600	\$2,703,000	\$78,000
Facilities						
30	Citywide Roof Repairs (locations to be determined)	\$300,000	\$0	\$0	\$0	-\$300,000
31	Civic Center - Consulting Services	\$100,000	\$31,025	\$2,697	\$100,000	\$0
32	Ecology Center Improvements	\$400,000	\$323,000	\$149,320	\$323,000	-\$77,000
33	Facilities Contingency	\$600,000	\$85,047	\$55,329	\$735,000	\$135,000
34	Fire 1 and 3 - Locker Room and Restroom Improvements	\$300,000	\$0	\$0	\$0	-\$300,000

35	Levy Center - HVAC Fan Box Replacements	\$200,000	\$0	\$0	\$0	-\$200,000
36	Park Fieldhouses Interior/Restroom Impr (Ackerman, Baker, Bent, Lagoon, Leahy, Lovelace)	\$300,000	\$270,353	\$268,784	\$271,000	-\$29,000
37	Service Center - Fuel System Replacement	\$1,500,000	\$212,946	\$140,540	\$213,000	\$250,000
Total Facilities Projects		\$3,700,000	\$922,371	\$616,670	\$1,642,000	-\$521,000
Miscellaneous						
38	Greenspace Management Plan - Consulting Svcs	\$75,000	\$0		\$0	-\$75,000
39	Capital Fund Financial Model - Consulting Svcs	\$50,000	\$0		\$0	-\$50,000
40	Public Art	\$30,000	\$44,500	\$37,429	\$45,000	\$15,000
41	Lighting Modernization at City Facilities and Parks	\$50,000	\$0		\$0	-\$50,000
Total Miscellaneous Projects		\$205,000	\$44,500	\$37,429	\$45,000	-\$160,000
Library						
42	HVAC Upgrades	\$485,000	\$0	\$0	\$0	-\$485,000
Total Library Projects		\$485,000	\$0	\$0	\$0	-\$485,000
Summary						
	Street Resurfacing, Water Main, Sewer	\$1,040,000	\$51,000	\$50,000	\$50,000	-\$990,000
	Other Transportation	\$2,873,000	\$1,477,326	\$928,237	\$1,537,000	-\$1,336,000
	Parks	\$2,625,000	\$2,654,828	\$2,147,600	\$2,703,000	\$78,000
	Facilities	\$3,700,000	\$922,371	\$616,670	\$1,642,000	-\$521,000
	Miscellaneous	\$205,000	\$44,500	\$37,429	\$45,000	-\$160,000
	Library	\$485,000	\$0	\$0	\$0	-\$485,000
	Total	\$10,928,000	\$5,150,025	\$3,779,936	\$5,977,000	-\$3,414,000

Exhibit 2 2023 General Obligation Bond Issue Project List						
		2023 Adopted Budget	GO Bond Obligated to Date (3/1/24)	GO Bond Expensed To Date (3/1/24)	Recommended Bond Issue	Difference (Budget to Recommend Bond Issue)
Street Resurfacing, Water Main, and Sewer						
Major Projects						
1	Chicago Ave, Howard to Davis	\$450,000	\$0	\$0	\$450,000	\$0
2	Main Street Improvements, Maple to Hinman	\$0	\$266,945	\$0	\$467,000	\$467,000
3	Oakton Corridor Traffic Calming Improvements	\$3,150,000	\$3,144,158	\$1,046,426	\$3,150,000	\$0
Total Street Resurfacing, Water Main, and Sewer Projects		\$3,600,000	\$3,411,103	\$1,046,426	\$4,067,000	\$467,000
Other Transportation						
Major Projects						
4	Bus Stop ADA Improvements	\$75,000	\$87,040	\$45,481	\$88,000	\$13,000
5	Lincoln Street Bridge	\$70,000	\$70,000	\$0	\$70,000	\$0
6	Ridge Avenue Signal Retiming	\$70,000	\$228,756	\$70,620	\$229,000	\$159,000
7	Traffic Signal, Central and Central Park	\$50,000	\$88,200	\$45,620	\$89,000	\$39,000
Annual Projects						
8	Alley Paving - Special Assessment - N. of Chancellor, E. of Asbury	\$375,000	\$35,961	\$19,542	\$36,000	-\$339,000
9	Bridge Inspection	\$10,000	\$0	\$0	\$0	-\$10,000
10	General Phase I Engineering	\$30,000	\$2,425	\$0	\$30,000	\$0
11	Streetlight Pole and Fixture Replacement	\$120,000	\$106,080	\$101,688	\$107,000	-\$13,000
12	Traffic Calming, Bicycle & Ped Improvements	\$225,000	\$77,818	\$71,199	\$100,000	-\$125,000
Sidewalk Projects						
13	Sidewalk Gap Infill	\$300,000	\$559,374	\$424,308	\$300,000	\$0
14	Sidewalk Improvement Program	\$300,000	\$0	\$0	\$300,000	\$0
15	Sidewalk - Safe Routes to School	\$50,000	\$0	\$0	\$66,000	\$16,000
Total Other Transportation Projects		\$1,675,000	\$1,255,654	\$778,458	\$1,415,000	-\$260,000
Parks						
16	Arrington Lagoon - Retaining Wall	\$200,000	\$129,550	\$123,301	\$130,000	-\$70,000
17	Beck Park Expansion/Shore School	\$160,000	\$160,000	\$0	\$160,000	\$0
18	Cartwright Park Drainage Improvements	\$100,000	\$0	\$0	\$0	-\$100,000
19	Fitzsimons Park Renovations	\$125,000	\$0	\$0	\$0	-\$125,000
20	James Park - Athletic Lighting North Fields	\$1,033,000	\$990,301	\$404,321	\$1,033,000	\$0
21	James Park - Pathway Lighting	\$50,000	\$0	\$0	\$0	-\$50,000
22	James Park - Pathway Reconstruction	\$300,000	\$175,000	\$0	\$175,000	-\$125,000
23	Mulford Viaduct Art Park	\$100,000	\$0	\$0	\$0	-\$100,000
24	Parks Contingency	\$100,000	\$38,548	\$38,548	\$50,000	-\$50,000
25	Public Canoe Launch (incl. Eco Cntr Parking Lot) - Phase II Consulting Svcs	\$40,000	\$10,889	\$0	\$40,000	\$0
Total Parks Projects		\$2,208,000	\$1,504,288	\$566,170	\$1,588,000	-\$620,000
Facilities						
26	Animal Shelter Renovations	\$2,360,000	\$2,338,473	\$830,087	\$2,360,000	\$0
27	Ecology Center - Renovation	\$1,195,000	\$1,195,000	\$0	\$1,195,000	\$0
28	Facilities Contingency	\$600,000	\$655,375	\$174,468	\$660,000	\$60,000
29	Police Fire HQ Elevator Modernization	\$120,000	\$0	\$0	\$0	-\$120,000
30	Roof Replacement (Ackerman, Baker, Dempster, Fire 5, Police Station)	\$350,000	\$350,000	\$364,727	\$350,000	\$0
31	Service Center - North Island Fuel System Replacement	\$200,000	\$0	\$0	\$0	-\$200,000
32	Service Center - Renovations	\$200,000	\$38,300	\$37,210	\$140,000	-\$60,000
Total Facilities Projects		\$5,025,000	\$4,577,148	\$1,406,492	\$4,705,000	-\$320,000
Miscellaneous						
33	ADA Improvements	\$300,000	\$158,250	\$81,424	\$160,000	-\$140,000
Total Miscellaneous Projects		\$300,000	\$158,250	\$81,424	\$160,000	-\$140,000

Exhibit 2 2023 General Obligation Bond Issue Project List					
	2023 Adopted Budget	GO Bond Obligated to Date (3/1/24)	GO Bond Expensed To Date (3/1/24)	Recommended Bond Issue	Difference (Budget to Recommend Bond Issue)
Sustainability					
34 Lighting Modernization at City Facilities and Parks	\$50,000	\$0	\$0	\$0	-\$50,000
35 City Fleet Charging Infrastructure	\$100,000	\$0	\$0	\$100,000	\$0
36 Public Vehicle Charging Stations	\$100,000	\$0	\$0	\$0	-\$100,000
37 City Solar Infrastructure	\$200,000	\$0	\$0	\$0	-\$200,000
Total Sustainability Projects	\$450,000	\$0	\$0	\$100,000	-\$350,000
Library					
38 Boiler Replacement	\$700,000	\$0	\$0	\$0	-\$700,000
39 Building LED Lighting Upgrade	\$250,000	\$0	\$0	\$0	-\$250,000
Total Library Projects	\$950,000	\$0	\$0	\$0	-\$950,000
SUMMARY					
Street Resurfacing, Water Main, and Sewer	\$3,600,000	\$3,411,103	\$1,046,426	\$4,067,000	\$467,000
Other Transportation	\$1,675,000	\$1,255,654	\$778,458	\$1,415,000	-\$260,000
Parks	\$2,208,000	\$1,504,288	\$566,170	\$1,588,000	-\$620,000
Facilities	\$5,025,000	\$4,577,148	\$1,406,492	\$4,705,000	-\$320,000
Miscellaneous	\$300,000	\$158,250	\$81,424	\$160,000	-\$140,000
Sustainability	\$450,000	\$0	\$0	\$100,000	-\$350,000
Library	\$950,000	\$0	\$0	\$0	-\$950,000
TOTAL	\$14,208,000	\$10,906,443	\$3,878,970	\$12,035,000	-\$2,173,000

Exhibit 3 2023 - 2024 General Obligation Bond Issue - Water Fund Project List			
	Adopted Budget	Other Projects	Recommended Bond Issue
Projects			
2023 GO Bond Resolution (19-R-23)			
2023 Water Main Replacement	\$2,988,000		\$2,988,000
Green Bay Road Water Main (Central to Lincoln)	\$510,000		\$510,000
2024 GO Bond Resolution (15-R-24)			
East Filter Plant Reliability	\$1,000,000		\$1,000,000
WTP - Standpipe Water Quality - Engineering		\$300,000	\$300,000
WTP - Standpipe Water Quality - Const	\$1,200,000		\$1,200,000
WTP - Desiccant Dehumidification System for HL and LL basements		\$300,000	\$300,000
WTP - East Filter (13, 14, &18) 30" Valves and Actuators and Install		\$250,000	\$250,000
WTP - West Plant Dehumidificatinon	\$300,000		\$300,000
WTP - Boiler Rehabilitation		\$120,000	\$120,000
WTP - HL 7 Engine Replacement	\$1,000,000		\$1,000,000
WTP - Corrosion Control Improvements - Eng	\$200,000		\$200,000
WTP - Shoreline Improvements - Eng	\$200,000		\$200,000
WTP - Shorewell Safety Rails - Eng		\$50,000	\$50,000
Dist Sys - Retail Water Meter Replacement Program Phas	\$2,420,000		\$2,420,000
WM - Water Main Replacement - Bond Funded	\$3,430,000	\$1,791,000	\$5,221,000
WM - LSLR - WM - City Funded		\$1,530,000	\$1,530,000
WM - LSLR Engineering (Pilot)		\$550,000	\$550,000
WM - LSLR Engineering 2024 WM		\$300,000	\$300,000
WM - General Phase I Eng		\$40,000	\$40,000
	\$13,248,000	\$5,231,000	\$18,479,000

Exhibit 4 - Cash and Investment Summary by Fund

Fund #	Fund	1/31/2024			1/31/2023		
		Cash	Investments	Total	Cash	Investments	Total
100	General	897,398	43,585,476	44,482,874	23,549,333	32,653,415	56,202,749
170	American Rescue Plan	(656,401)	27,417,386	26,760,985	6,109,959	25,039,778	31,149,737
175	General Assistance	1,219,865	1	1,219,866	899,384	1	899,385
176	Health and Human Services	2,285,205	-	2,285,205	2,752,089	-	2,752,089
177	Reparations	1,180,362	-	1,180,362	459,074	-	459,074
178	Sustainability	869,180	-	869,180	426,328	-	426,328
180	Good Neighbor	189,003	-	189,003	659,688	-	659,688
200	MFT	2,400,948	3,980,797	6,381,745	-	5,530,678	5,530,678
205	E911	1,157,792	-	1,157,792	1,168,674	-	1,168,674
210	SSD4	338,854	-	338,854	69,687	-	69,687
215	CDBG	(153,854)	-	(153,854)	(273,888)	-	(273,888)
220	CD Loan	490,353	-	490,353	390,426	-	390,426
235	Neighborhood Improvement	22,954	-	22,954	22,326	-	22,326
240	Home	(13,847)	-	(13,847)	34,601	-	34,601
250	Affordable Housing	2,972,391	-	2,972,391	2,791,492	-	2,791,492
320	Debt Service	2,259,815	581,572	2,841,386	1,516,837	522,007	2,038,844
330	Howard Ridge	1,850,300	-	1,850,300	2,160,412	-	2,160,412
335	West Evanston	2,148,120	-	2,148,120	2,526,492	-	2,526,492
340	Dempster-Dodge-TIF	635,834	-	635,834	359,397	-	359,397
345	Chicago Main-TIF	2,244,322	-	2,244,322	1,673,439	-	1,673,439
350	Special Service Area (SSA) #6	328,716	-	328,716	225,925	-	225,925
355	Special Service Area (SSA) #7	78,519	-	78,519	79,256	-	79,256
360	Special Service Area (SSA) #8	35,793	-	35,793	34,016	-	34,016
365	Five Fifth TIF	(40,147)	-	(40,147)	(51,709)	-	(51,709)
415	Capital Improvements	(4,355,730)	4,079,750	(275,980)	4,780,021	4,366,305	9,146,326
416	Crown Construction	2,225,081	2,543,574	4,768,655	5,260,225	-	5,260,225
417	Crown Community CTR Maintenance	679,624	-	679,624	504,628	-	504,628
420	Special Assessment	642,295	-	642,295	1,570,931	-	1,570,931
505	Parking	1,833,218	202,861	2,036,079	669,363	195,260	864,623
510	Water	(5,343,641)	3,681,238	(1,662,403)	904,878	7,722,832	8,627,711
515	Sewer	6,026,661	1,337,556	7,364,217	2,987,821	1,287,465	4,275,286
520	Solid Waste	1,865,412	-	1,865,412	1,088,824	-	1,088,824
600	Fleet	(97,488)	-	(97,488)	(1,031,991)	-	(1,031,991)
601	Equipment Replacement	1,466,863	-	1,466,863	1,017,100	-	1,017,100
605	Insurance	2,809,774	-	2,809,774	(3,343,332)	-	(3,343,332)
Total without Library		30,493,543	87,410,211	117,903,754	61,991,707	77,317,742	139,309,449

Fund #	Fund	1/31/2024			1/31/2023		
		Cash	Investments	Total	Cash	Investments	Total
185	Library	4,418,015	-	4,418,015	3,439,611	-	3,439,611
186	Library Debt Service	2,781	-	2,781	2,782	-	2,782
187	Library Capital Improvement FD	(478,594)	-	(478,594)	704,389	-	704,389
	Library Total	3,942,202	-	3,942,202	4,146,783	-	4,146,783
	Total	34,435,745	87,410,211	121,845,956	66,138,490	77,317,742	143,456,232

Note that "Cash" includes interfund liabilities and advances from other funds.

City of Evanston, Cook County, Illinois

General Obligation Corporate Purpose Bonds, Series 2024

Dated: June 19, 2024 / Callable: December 1, 2033 @ Par

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City of Evanston, Cook County, Illinois

General Obligation Corporate Purpose Bonds, Series 2024

Dated: June 19, 2024 / Callable: December 1, 2033 @ Par

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Sources & Uses

Dated 06/19/2024 | Delivered 06/19/2024

Sources Of Funds

Par Amount of Bonds	\$28,415,000.00
Reoffering Premium	1,988,255.75
Total Sources	\$30,403,255.75

Uses Of Funds

Total Underwriter's Discount (0.800%)	227,320.00
Costs of Issuance	175,000.00
Deposit to Project Construction Fund	30,000,000.00
Rounding Amount	935.75
Total Uses	\$30,403,255.75

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City of Evanston, Cook County, Illinois

General Obligation Corporate Purpose Bonds, Series 2024

Dated: June 19, 2024 / Callable: December 1, 2033 @ Par

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Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/19/2024	-	-	-	-	-
12/01/2024	-	-	600,114.38	600,114.38	600,114.38
06/01/2025	-	-	666,793.75	666,793.75	-
12/01/2025	865,000.00	5.000%	666,793.75	1,531,793.75	2,198,587.50
06/01/2026	-	-	645,168.75	645,168.75	-
12/01/2026	910,000.00	5.000%	645,168.75	1,555,168.75	2,200,337.50
06/01/2027	-	-	622,418.75	622,418.75	-
12/01/2027	955,000.00	5.000%	622,418.75	1,577,418.75	2,199,837.50
06/01/2028	-	-	598,543.75	598,543.75	-
12/01/2028	1,000,000.00	5.000%	598,543.75	1,598,543.75	2,197,087.50
06/01/2029	-	-	573,543.75	573,543.75	-
12/01/2029	1,050,000.00	5.000%	573,543.75	1,623,543.75	2,197,087.50
06/01/2030	-	-	547,293.75	547,293.75	-
12/01/2030	1,105,000.00	5.000%	547,293.75	1,652,293.75	2,199,587.50
06/01/2031	-	-	519,668.75	519,668.75	-
12/01/2031	1,160,000.00	5.000%	519,668.75	1,679,668.75	2,199,337.50
06/01/2032	-	-	490,668.75	490,668.75	-
12/01/2032	1,215,000.00	5.000%	490,668.75	1,705,668.75	2,196,337.50
06/01/2033	-	-	460,293.75	460,293.75	-
12/01/2033	1,280,000.00	5.000%	460,293.75	1,740,293.75	2,200,587.50
06/01/2034	-	-	428,293.75	428,293.75	-
12/01/2034	1,340,000.00	5.000%	428,293.75	1,768,293.75	2,196,587.50
06/01/2035	-	-	394,793.75	394,793.75	-
12/01/2035	1,410,000.00	5.000%	394,793.75	1,804,793.75	2,199,587.50
06/01/2036	-	-	359,543.75	359,543.75	-
12/01/2036	1,480,000.00	5.000%	359,543.75	1,839,543.75	2,199,087.50
06/01/2037	-	-	322,543.75	322,543.75	-
12/01/2037	1,555,000.00	5.000%	322,543.75	1,877,543.75	2,200,087.50
06/01/2038	-	-	283,668.75	283,668.75	-
12/01/2038	1,630,000.00	5.000%	283,668.75	1,913,668.75	2,197,337.50
06/01/2039	-	-	242,918.75	242,918.75	-
12/01/2039	1,710,000.00	5.000%	242,918.75	1,952,918.75	2,195,837.50
06/01/2040	-	-	200,168.75	200,168.75	-
12/01/2040	1,800,000.00	4.000%	200,168.75	2,000,168.75	2,200,337.50
06/01/2041	-	-	164,168.75	164,168.75	-
12/01/2041	1,870,000.00	4.000%	164,168.75	2,034,168.75	2,198,337.50
06/01/2042	-	-	126,768.75	126,768.75	-
12/01/2042	1,945,000.00	4.000%	126,768.75	2,071,768.75	2,198,537.50
06/01/2043	-	-	87,868.75	87,868.75	-
12/01/2043	2,025,000.00	4.250%	87,868.75	2,112,868.75	2,200,737.50
06/01/2044	-	-	44,837.50	44,837.50	-
12/01/2044	2,110,000.00	4.250%	44,837.50	2,154,837.50	2,199,675.00
Total	\$28,415,000.00	-	\$16,160,051.88	\$44,575,051.88	-

Yield Statistics

Bond Year Dollars	\$355,206.75
Average Life	12.501 Years
Average Coupon	4.5494777%
Net Interest Cost (NIC)	4.0537282%
True Interest Cost (TIC)	3.9197713%
Bond Yield for Arbitrage Purposes	3.7432237%
All Inclusive Cost (AIC)	3.9830377%

IRS Form 8038

Net Interest Cost	3.7839753%
Weighted Average Maturity	12.318 Years

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Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
12/01/2024	-	-	600,114.38	600,114.38	600,114.38
12/01/2025	865,000.00	5.000%	1,333,587.50	2,198,587.50	2,198,587.50
12/01/2026	910,000.00	5.000%	1,290,337.50	2,200,337.50	2,200,337.50
12/01/2027	955,000.00	5.000%	1,244,837.50	2,199,837.50	2,199,837.50
12/01/2028	1,000,000.00	5.000%	1,197,087.50	2,197,087.50	2,197,087.50
12/01/2029	1,050,000.00	5.000%	1,147,087.50	2,197,087.50	2,197,087.50
12/01/2030	1,105,000.00	5.000%	1,094,587.50	2,199,587.50	2,199,587.50
12/01/2031	1,160,000.00	5.000%	1,039,337.50	2,199,337.50	2,199,337.50
12/01/2032	1,215,000.00	5.000%	981,337.50	2,196,337.50	2,196,337.50
12/01/2033	1,280,000.00	5.000%	920,587.50	2,200,587.50	2,200,587.50
12/01/2034	1,340,000.00	5.000%	856,587.50	2,196,587.50	2,196,587.50
12/01/2035	1,410,000.00	5.000%	789,587.50	2,199,587.50	2,199,587.50
12/01/2036	1,480,000.00	5.000%	719,087.50	2,199,087.50	2,199,087.50
12/01/2037	1,555,000.00	5.000%	645,087.50	2,200,087.50	2,200,087.50
12/01/2038	1,630,000.00	5.000%	567,337.50	2,197,337.50	2,197,337.50
12/01/2039	1,710,000.00	5.000%	485,837.50	2,195,837.50	2,195,837.50
12/01/2040	1,800,000.00	4.000%	400,337.50	2,200,337.50	2,200,337.50
12/01/2041	1,870,000.00	4.000%	328,337.50	2,198,337.50	2,198,337.50
12/01/2042	1,945,000.00	4.000%	253,537.50	2,198,537.50	2,198,537.50
12/01/2043	2,025,000.00	4.250%	175,737.50	2,200,737.50	2,200,737.50
12/01/2044	2,110,000.00	4.250%	89,675.00	2,199,675.00	2,199,675.00
Total	\$28,415,000.00	-	\$16,160,051.88	\$44,575,051.88	\$44,575,051.88

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City of Evanston, Cook County, Illinois

General Obligation Corporate Purpose Bonds, Series 2024

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Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
12/01/2025	Serial Coupon	5.000%	3.300%	865,000.00	102.385%	-	-	-	885,630.25
12/01/2026	Serial Coupon	5.000%	3.150%	910,000.00	104.327%	-	-	-	949,375.70
12/01/2027	Serial Coupon	5.000%	3.050%	955,000.00	106.338%	-	-	-	1,015,527.90
12/01/2028	Serial Coupon	5.000%	3.050%	1,000,000.00	108.055%	-	-	-	1,080,550.00
12/01/2029	Serial Coupon	5.000%	3.050%	1,050,000.00	109.721%	-	-	-	1,152,070.50
12/01/2030	Serial Coupon	5.000%	3.050%	1,105,000.00	111.337%	-	-	-	1,230,273.85
12/01/2031	Serial Coupon	5.000%	3.050%	1,160,000.00	112.906%	-	-	-	1,309,709.60
12/01/2032	Serial Coupon	5.000%	3.100%	1,215,000.00	114.027%	-	-	-	1,385,428.05
12/01/2033	Serial Coupon	5.000%	3.100%	1,280,000.00	115.459%	-	-	-	1,477,875.20
12/01/2034	Serial Coupon	5.000%	3.150%	1,340,000.00	115.017%	c 3.290%	12/01/2033	100.000%	1,541,227.80
12/01/2035	Serial Coupon	5.000%	3.250%	1,410,000.00	114.139%	c 3.491%	12/01/2033	100.000%	1,609,359.90
12/01/2036	Serial Coupon	5.000%	3.350%	1,480,000.00	113.269%	c 3.663%	12/01/2033	100.000%	1,676,381.20
12/01/2037	Serial Coupon	5.000%	3.500%	1,555,000.00	111.979%	c 3.850%	12/01/2033	100.000%	1,741,273.45
12/01/2038	Serial Coupon	5.000%	3.550%	1,630,000.00	111.552%	c 3.943%	12/01/2033	100.000%	1,818,297.60
12/01/2039	Serial Coupon	5.000%	3.600%	1,710,000.00	111.128%	c 4.025%	12/01/2033	100.000%	1,900,288.80
12/01/2040	Serial Coupon	4.000%	4.100%	1,800,000.00	98.810%	-	-	-	1,778,580.00
12/01/2041	Serial Coupon	4.000%	4.150%	1,870,000.00	98.148%	-	-	-	1,835,367.60
12/01/2042	Serial Coupon	4.000%	4.200%	1,945,000.00	97.447%	-	-	-	1,895,344.15
12/01/2043	Serial Coupon	4.250%	4.250%	2,025,000.00	100.000%	-	-	-	2,025,000.00
12/01/2044	Serial Coupon	4.250%	4.300%	2,110,000.00	99.322%	-	-	-	2,095,694.20
Total	-	-	-	\$28,415,000.00	-	-	-	-	\$30,403,255.75

Bid Information

Par Amount of Bonds	\$28,415,000.00
Reoffering Premium or (Discount)	1,988,255.75
Gross Production	\$30,403,255.75
Total Underwriter's Discount (0.800%)	\$(227,320.00)
Bid (106.197%)	30,175,935.75
Total Purchase Price	\$30,175,935.75
Bond Year Dollars	\$355,206.75
Average Life	12.501 Years
Average Coupon	4.5494777%
Net Interest Cost (NIC)	4.0537282%
True Interest Cost (TIC)	3.9197713%

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General Obligation Corporate Purpose Bonds, Series 2024

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Proof of D/S for Arbitrage Purposes

Date	Principal	Interest	Total
06/19/2024	-	-	-
12/01/2024	-	600,114.38	600,114.38
06/01/2025	-	666,793.75	666,793.75
12/01/2025	865,000.00	666,793.75	1,531,793.75
06/01/2026	-	645,168.75	645,168.75
12/01/2026	910,000.00	645,168.75	1,555,168.75
06/01/2027	-	622,418.75	622,418.75
12/01/2027	955,000.00	622,418.75	1,577,418.75
06/01/2028	-	598,543.75	598,543.75
12/01/2028	1,000,000.00	598,543.75	1,598,543.75
06/01/2029	-	573,543.75	573,543.75
12/01/2029	1,050,000.00	573,543.75	1,623,543.75
06/01/2030	-	547,293.75	547,293.75
12/01/2030	1,105,000.00	547,293.75	1,652,293.75
06/01/2031	-	519,668.75	519,668.75
12/01/2031	1,160,000.00	519,668.75	1,679,668.75
06/01/2032	-	490,668.75	490,668.75
12/01/2032	1,215,000.00	490,668.75	1,705,668.75
06/01/2033	-	460,293.75	460,293.75
12/01/2033	10,405,000.00	460,293.75	10,865,293.75
06/01/2034	-	200,168.75	200,168.75
12/01/2034	-	200,168.75	200,168.75
06/01/2035	-	200,168.75	200,168.75
12/01/2035	-	200,168.75	200,168.75
06/01/2036	-	200,168.75	200,168.75
12/01/2036	-	200,168.75	200,168.75
06/01/2037	-	200,168.75	200,168.75
12/01/2037	-	200,168.75	200,168.75
06/01/2038	-	200,168.75	200,168.75
12/01/2038	-	200,168.75	200,168.75
06/01/2039	-	200,168.75	200,168.75
12/01/2039	-	200,168.75	200,168.75
06/01/2040	-	200,168.75	200,168.75
12/01/2040	1,800,000.00	200,168.75	2,000,168.75
06/01/2041	-	164,168.75	164,168.75
12/01/2041	1,870,000.00	164,168.75	2,034,168.75
06/01/2042	-	126,768.75	126,768.75
12/01/2042	1,945,000.00	126,768.75	2,071,768.75
06/01/2043	-	87,868.75	87,868.75
12/01/2043	2,025,000.00	87,868.75	2,112,868.75
06/01/2044	-	44,837.50	44,837.50
12/01/2044	2,110,000.00	44,837.50	2,154,837.50
Total	\$28,415,000.00	\$14,498,551.88	\$42,913,551.88

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City of Evanston, Cook County, Illinois

General Obligation Corporate Purpose Bonds, Series 2024

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Proof of Bond Yield @ 3.7432237%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
06/19/2024	-	1.0000000x	-	-
12/01/2024	600,114.38	0.9834497x	590,182.29	590,182.29
06/01/2025	666,793.75	0.9653815x	643,710.34	1,233,892.63
12/01/2025	1,531,793.75	0.9476452x	1,451,597.05	2,685,489.68
06/01/2026	645,168.75	0.9302349x	600,158.46	3,285,648.13
12/01/2026	1,555,168.75	0.9131443x	1,420,093.53	4,705,741.67
06/01/2027	622,418.75	0.8963678x	557,916.13	5,263,657.80
12/01/2027	1,577,418.75	0.8798995x	1,387,969.98	6,651,627.77
06/01/2028	598,543.75	0.8637338x	516,982.44	7,168,610.22
12/01/2028	1,598,543.75	0.8478650x	1,355,349.33	8,523,959.54
06/01/2029	573,543.75	0.8322878x	477,353.48	9,001,313.02
12/01/2029	1,623,543.75	0.8169968x	1,326,430.07	10,327,743.09
06/01/2030	547,293.75	0.8019867x	438,922.33	10,766,665.42
12/01/2030	1,652,293.75	0.7872524x	1,300,772.26	12,067,437.67
06/01/2031	519,668.75	0.7727888x	401,594.20	12,469,031.87
12/01/2031	1,679,668.75	0.7585909x	1,274,181.49	13,743,213.36
06/01/2032	490,668.75	0.7446539x	365,378.40	14,108,591.77
12/01/2032	1,705,668.75	0.7309729x	1,246,797.69	15,355,389.45
06/01/2033	460,293.75	0.7175433x	330,280.70	15,685,670.15
12/01/2033	10,865,293.75	0.7043604x	7,653,082.79	23,338,752.94
06/01/2034	200,168.75	0.6914197x	138,400.62	23,477,153.56
12/01/2034	200,168.75	0.6787168x	135,857.89	23,613,011.45
06/01/2035	200,168.75	0.6662472x	133,361.87	23,746,373.32
12/01/2035	200,168.75	0.6540067x	130,911.71	23,877,285.03
06/01/2036	200,168.75	0.6419912x	128,506.57	24,005,791.60
12/01/2036	200,168.75	0.6301963x	126,145.61	24,131,937.21
06/01/2037	200,168.75	0.6186182x	123,828.03	24,255,765.25
12/01/2037	200,168.75	0.6072528x	121,553.03	24,377,318.28
06/01/2038	200,168.75	0.5960962x	119,319.83	24,496,638.10
12/01/2038	200,168.75	0.5851445x	117,127.65	24,613,765.76
06/01/2039	200,168.75	0.5743941x	114,975.75	24,728,741.51
12/01/2039	200,168.75	0.5638412x	112,863.39	24,841,604.90
06/01/2040	200,168.75	0.5534822x	110,789.83	24,952,394.73
12/01/2040	2,000,168.75	0.5433134x	1,086,718.57	26,039,113.30
06/01/2041	164,168.75	0.5333315x	87,556.37	26,126,669.67
12/01/2041	2,034,168.75	0.5235330x	1,064,954.55	27,191,624.22
06/01/2042	126,768.75	0.5139146x	65,148.31	27,256,772.52
12/01/2042	2,071,768.75	0.5044728x	1,045,150.94	28,301,923.46
06/01/2043	87,868.75	0.4952045x	43,513.00	28,345,436.46
12/01/2043	2,112,868.75	0.4861064x	1,027,079.12	29,372,515.59
06/01/2044	44,837.50	0.4771756x	21,395.36	29,393,910.95
12/01/2044	2,154,837.50	0.4684088x	1,009,344.80	30,403,255.75
Total	\$42,913,551.88	-	\$30,403,255.75	-

Derivation Of Target Amount

Par Amount of Bonds	\$28,415,000.00
Reoffering Premium or (Discount)	1,988,255.75
Original Issue Proceeds	\$30,403,255.75

Series 2024 PRLM 3.6.24 | SINGLE PURPOSE | 3/ 6/2024 | 9:14 AM

Speer Financial, Inc.

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Preliminary, As of March 6, 2024

City of Evanston, Cook County, Illinois

General Obligation Corporate Purpose Bonds, Series 2024

Dated: June 19, 2024 / Callable: December 1, 2033 @ Par

\$30M Project / Preliminary

Detail Costs Of Issuance

Dated 06/19/2024 | Delivered 06/19/2024

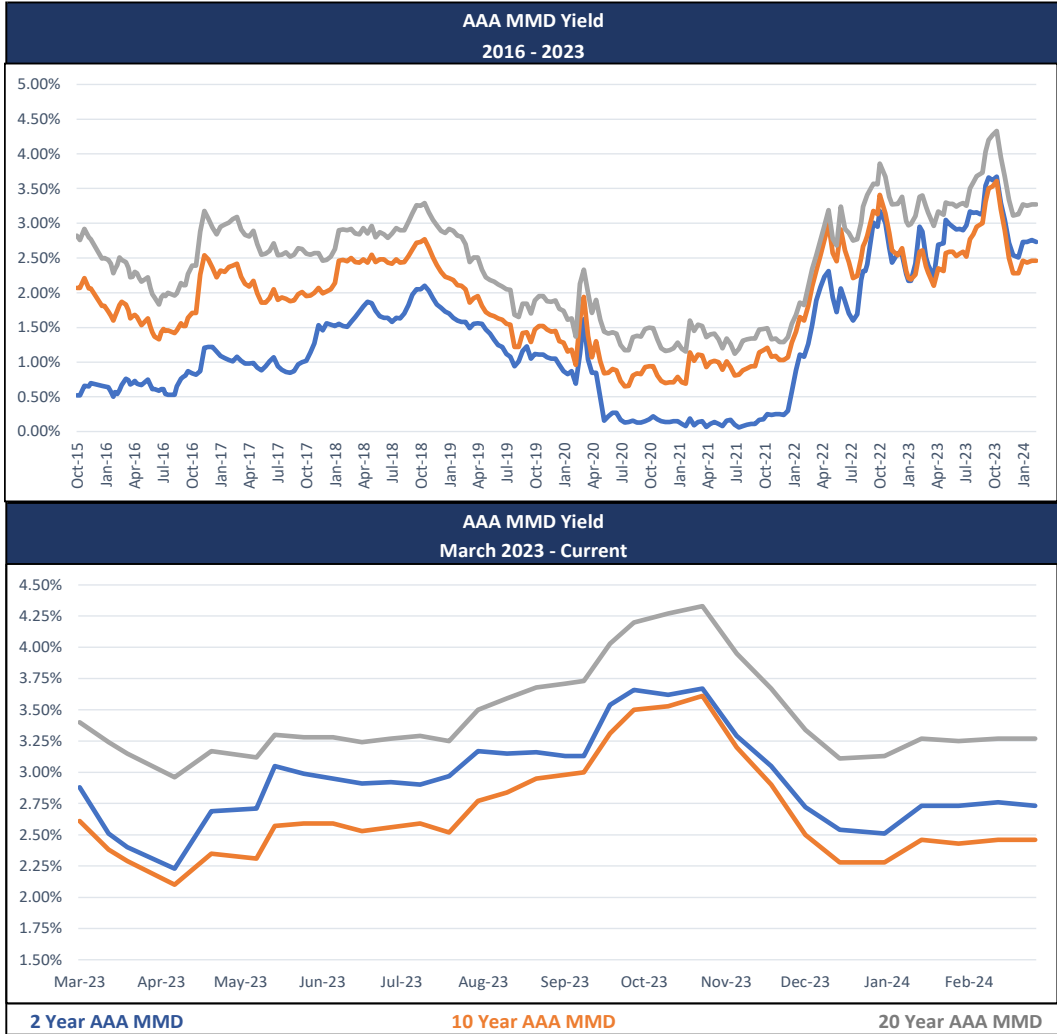
COSTS OF ISSUANCE DETAIL

Series 2024 PRLM 3.6.24 | SINGLE PURPOSE | 3/6/2024 | 9:14 AM

Speer Financial, Inc.

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Municipal Market Snapshot



Market Indicators (amounts are in millions)			
Rate/Index	Current	2024 High	
Bond Buyer 20-Bond Index	3.54%	3.54%	
Bond Buyer 11-Bond Index	3.44%	3.44%	
Bond Buyer Revenue Bond Index	3.82%	3.82%	
10- Year Treasury	4.14%	4.33%	
30- Year Treasury	4.27%	4.47%	
30-Day Visible Supply	Current	Annual High	Annual Low
Total	\$10,004.30	\$14,520.30	\$3,512.90
Competitive	\$1,535.40	\$3,822.10	\$1,043.80
Negotiated	\$8,468.90	\$10,976.30	\$2,469.10
New-Issue Sales	Current	Last Week	Two Weeks
Long-Term Bonds	\$6,089.40	\$7,341.60	\$5,426.70
Negotiated Bonds	\$5,241.20	\$4,536.50	\$4,595.20
Competitive Bonds	\$848.20	\$2,805.10	\$820.10
Short-Term Bonds	\$421.80	\$611.90	\$129.80

Footnotes:

- AAA MMD Yields represent the fair market offer side for most liquid and available credits in each ratings category as determined by MMD. the above data provided by Thomson Reuters Municipal market data.
- General obligation bonds maturing in 20 years are used in compiling these bond buyer indexes. The 20-bond index has an average rating equivalent to Moody's Aa2 and S&P's AA, while the 11-bond index is equivalent to Aa1 and AA-plus. (No average Fitch rating is provided because Fitch does not rate one of the bonds.) The 11 bonds used in the higher-grade index are marked with an asterisk. Source: The Bond Buyer.
- 30-Day Visible Supply reflects the total dollar volume of bonds to be offered at competitive bidding and through negotiation over the next 30 days. It includes issues scheduled for sale on the date listed along with anticipated offerings listed in that day's Competitive Bond Offerings" and "Negotiated Bond Offerings" tables published on BondBuyer.com.



Memorandum

To: Members of the Finance and Budget Committee
From: Lara Biggs, City Engineer
Subject: Discussion about Policy on Unbudgeted Capital Projects and Capital Cost Overruns
Date: March 12, 2024

Recommended Action:

Staff will provide information related to different causes and types of unbudgeted capital expenses for the purposes of discussion by the committee.

Committee Action:

For Discussion

Summary:

Unbudgeted expenses in the Capital Improvement Program do occur. Staff has identified the following types of unbudgeted expenses/cost overruns:

- Project bid and proposal costs higher than budgeted at the time of contract award
- State and federally funded projects
- Change orders during construction
- Emergency repair projects
- Non-emergency unbudgeted projects

It has been suggested that unbudgeted costs and/or cost overruns of a certain magnitude be reviewed by the Finance and Budget Committee prior to going to City Council. This would create a potential delay of 4-8 weeks on approvals, versus going directly to the City Council.

A discussion follows of each of these types of unplanned costs and the impact of a 4-8 week delay.

Higher-Than-Budgeted Project Costs at Time of Contract Award

The Capital Improvement Program (CIP) is typically developed April - August prior to the year in which it is executed. Projects are identified with a general scope of work, and a budget price is developed and assigned to each project. While some projects have a budget price based on an exact scope with a detailed cost estimate, many projects do not have enough information yet to completely identify a detailed scope and cost. In these cases, a budgetary

cost is estimated. Staff identifies completed projects with known costs that are similar because of scope of work, size and location. The costs are escalated based on estimated market conditions, and this rough estimate is assigned. Once a detailed plan or design is completed, a detailed scope of work and cost estimate can be developed, but this often occurs after the funding is assigned and the budget has been adopted.

Periodically, a project that was properly budgeted comes in at a higher cost than expected. Sometimes this happens because the scope of work has changed substantially since the project budget was developed. In this case, especially if the cost of the project is already high, staff will present the change in scope to the City Council and ask for direction before proceeding.

At other times, this occurs when the cost is higher due to unexpected market forces. Cost overruns are typically much higher on construction contracts rather than consulting services because construction projects are much more expensive. With a construction contract, it is usually a low bid proposal that is opened at a specific time and date, in which the scope cannot be easily negotiated because of state procurement law.

There are two primary impacts of concern of a 4-8 week delay in the award of a low bid construction project. Contractors are required to hold their bid pricing for 60 days, which is generally adequate, as most approvals typically occur in 2-4 weeks. Taking a cost overrun to Finance and Budget Committee for review, would potentially put the contract beyond that time frame. Once the contract award is beyond 60 days, the contractor is able to file a claim to increase the cost or can just refuse to participate, depending on their other workload and the perceived profit/risk of the contract. If that occurs, any other bids would also be invalid. Rebidding a contract almost always results in fewer bidders and a significant price increase for the same scope of work. If the City writes a longer hold time into every contract in order to prepare for this additional step, it will generally increase the bid prices of all City contracts, as contractors will have to account for an additional month of price volatility in their contracts.

The second concern is related to construction schedule. Outdoor construction projects are carefully timed to coincide with the annual outdoor construction season of May - October. This is why many of these projects are awarded March - May of each year. The delay in award will effectively shorten the construction season by 4-8 weeks. Depending on the weather in late fall, this could be devastating to a project that is positioned to take the entire construction season to complete. If the project cannot be finished due to a City-imposed delay, the City would be responsible for any additional costs, such as if the contractor has to remobilize in spring. These costs can be significant.

State- and Federally-Funded Projects

Transportation projects that receive state and federal grant funds have a unique schedule constraint. These projects are planned and designed under a consulting contract between a consulting firm and the City of Evanston, with the Illinois Department of Transportation (IDOT) reviewing the final deliverables. However, they are constructed by a contract between IDOT and the contractor.

For these projects, the City Council approves a resolution authorizing the City Manager to enter into an agreement with IDOT where IDOT will oversee the construction and then bill the City for its share of the construction cost. Once the City delivers the final drawings and specifications to IDOT, IDOT schedules the project for advertisement on one of their bid lettings. When IDOT opens the bids, they notify the City if there is a significant cost overrun. The City has approximately one week to inform IDOT if they wish to continue with the project. For this reason, the approved resolution is crafted to give the City Manager the authority to make this decision.

If the City does not inform IDOT of the decision to move forward, or if the City does not want to proceed, the project is not awarded and will need to be cancelled or rebid by IDOT. Generally, the lettings are scheduled out in advance about six months, which would effectively place the project into the following construction year. A 6-12 month delay runs a significant risk of jeopardizing the grants received to support the project, which is typically \$3M-\$6M for these projects. As stated previously, history has shown that rebidding a project usually results in cost increase to the project, unless the scope is decreased by 30% or more. That scale of scope change in this type of project would require a significant change to the Phase I Project Development Report. Getting the amendment drafted and reviewed by IDOT would require a significant effort and cost by the City.

Change Orders During Construction

There are a variety of reasons for change orders to happen during construction. The most common are as follows:

- Design Error/Omission - the contract documents are inconsistent, left out significant information or have incorrectly detailed an item
- Modification to Scope of Work - the owner requests a change in the construction after the bid is received in order to make for a more appropriate final product
- Supply Chain/ Work Force/ Act of God - something out of control of the contractor or owner occurs after the bid is received that changes the availability of materials or the workforce, or otherwise impacts the job site significantly (such as significant unexpected weather)
- Unforeseen Conditions - something that was not known by the owner or engineer/architect as the design was completed is discovered during construction and causes a significant unexpected impact

Any and all of these change orders have occurred on City of Evanston CIP projects; however, the most challenging to manage are those changes related to unforeseen conditions. Unforeseen conditions happen frequently when excavating or working underground, or within facilities when doing work inside walls. Unfortunately, the cost of unforeseen conditions is generally the responsibility of the owner. When they happen, the contractor often has mobilized at least one full crew as well as all of their needed tools and equipment, and the unforeseen condition is discovered mid-day. The owner immediately becomes responsible for the cost of lost work time, if the crew has to demobilize and remobilize on a different day, any additional labor and equipment needed, and any schedule delays that are caused. The cost of these items can increase quickly. For example, when installing a new 36" transmission main, in one intersection the contractor discovered a number of previously unmapped utilities for ComEd, Nicor, and AT&T in the path of the excavation of the water

main trench. This occurred mid-morning. Going around, over and under these utilities would require a number of extra fittings for the water main at a substantial cost, likely over \$100,000. There were two laborers, two equipment operators, 1 site superintendent, an excavator and a dump truck that could not working until a decision is made, and the City would be potentially liable for the cost of those assets while they were unproductive.

Consequently, decisions on these items typically need to be made quickly, ranging from 2 hours to 2 days. The industry-standard contract provisions requires the contractor to keep working, with the final costs to be determined later, but if the contractor proceeds in good faith, it is difficult for the City to dispute the costs. Therefore, it is in the owner's best interest to reach a resolution quickly to minimize the time that unintended costs are accruing.

Emergency Repair Projects

When responsible for infrastructure, there is always the chance that it will experience a critical failure that needs to be remedied quickly. In this situation, the emergency and associated contract work is reported to City Council as it happens. This is followed up by a resolution, which is brought to City Council at the next meeting to grant the City Manager the purchasing authority to quickly enter into the necessary contracts, even if they exceed the typical purchasing authority of up to \$25,000.

Depending on the criticality of the failure, it can be necessary to quickly engage professional services and contractors to complete projects that mitigate the impact and/or make repairs as quickly as possible. While potentially shortcutting the normal purchasing process, staff works to control costs and quality of the work in different ways, as follows:

- Issuing single-source contracts to partner companies that have done quality work for the City in the past at a reasonable cost
- Seeking three quotes, if time allows, instead of a single-source. This is more competitive than single-source, but substantially faster than utilizing the standard purchasing process.
- Requesting a contractor that is already doing similar work under an open city contract to complete the additional repair work for the City

Because of the volume of infrastructure owned by the City, critical failures occur on an annual basis, often several times per year. Past failures of critical infrastructure include the following:

- Lincoln Street Bridge - Failure of the underlying support beams in Lincoln Street Bridge (over the North Shore Canal) identified during a regularly scheduled inspection. IDOT notified the City that they had 30 days to complete repairs or the bridge would be closed to traffic.
- Fire Station 4 Roof - Substantial water leaking due to a significant roofing failure and the associated mold growth made the fire station uninhabitable. Fire trucks staged from other fire stations, significantly increasing response times to southwest Evanston until repairs were completed.

- Water Treatment Plant - Repair of a power outage by ComEd triggered a cascade failure of several systems at the water plant when the power was brought back online. The SCADA system controlling the filtration went down, causing flooding in the plant that significantly damaged electrical equipment powering key parts of the water treatment process.
- Civic Center Boiler Building Stairs - A city employee utilizing the wood stairs accessing the apartment above the boiler building was injured when a step broke. Further inspection of the stairs indicated that significant rot and deterioration had occurred. In order to correct the unsafe condition, a contractor was brought in to immediately replace two sets of staircases. The alternative would be to have the tenant immediately relocate to alternate housing.

Not all failures are expensive to repair, but it can be difficult to determine the full scope and cost of the repairs at the time of the failure. In many cases, it takes at least two contracts (an engineer/architect and a contractor) to complete the repairs, but sometimes it takes more. In the case listed above of Fire Station 4, the repairs ultimately involved eight different consultants and contractors. A delay of 4-8 weeks before beginning repair work could have serious ramifications when it involves the water treatment plant, serving over 500,000 people in 9 communities besides Evanston, particularly if the City were unable to meet the contractual obligations of its wholesale water supply contracts.

Non-Emergency, Unbudgeted Projects

CIP projects that have not been budgeted can be completed if approved by the City Manager and/or the City Council, depending on the cost of the contracts. This type of project would typically be developed in response to a community need. Without knowing the specific reason for its development, it is difficult to understand the impact a 4-8 week delay would have.

Recommendations

Staying within the approved budget of the adopted CIP is important to good financial management. One methodology would be to address each cost overrun by identifying equivalent savings within the CIP through the delay of other projects. While this may or may not work when addressing emergency contracts, for all other types of work this would allow the cost overruns to be dealt with while working within the overall adopted budget of the City. In this case, as staff brings a recommendation for approval to City Council that includes a cost overrun, staff would also identify a specific savings that would offset the additional cost. The City Council would then be able to approve or not approve the work without a significant harm to the budget but also without incurring a 4-8 week delay that may result in additional costs later.

For emergency repairs, a similar exercise would take place, but it would occur after the failure has been addressed. However, while in most cases the cost could be offset, it might not be possible to resolve every failure fully in this way, depending on the size and consequences of the emergency repair. Nevertheless, at a minimum, a partial cost offset could be completed.



Memorandum

To: Members of the Finance and Budget Committee
From: Hitesh Desai, Chief Financial Officer/Treasurer
Subject: Discussion regarding Unallocated ARPA Funding
Date: March 12, 2024

Recommended Action:

Staff recommend the Finance & Budget Committee discuss about unallocated ARPA Funding.

Council Action:

For Discussion

Summary:

Finance Staff will lead a discussion regarding unallocated ARPA Funding.

Attachments:

[EVANSTON ARPA ALLOCATIONS AND DISBURSEMENTS 12.31.2023 Revised \(1\)](#)

City Council Approval	ARPA Project/Program/Expense	Allocated to Date	Expended to Date	Balance
11/01/21	COVID-19 Contact Tracing – Sustain the Public Health Response	575,000.00	Canceled	\$0.00
8/9/2021	Guaranteed Income Program	\$700,000.00	\$643,579.02	\$56,420.98
8/9/2021	Water Main Replacement	\$3,000,000.00	\$3,000,000.00	\$0.00
11/8/2021	Grant Management, Compliance & Reporting	\$900,000.00	\$412,860.83	\$487,139.17
1/10/2022	Youth Violence Interventions	\$552,500.00	\$521,946.10	\$30,553.90
2/14/2022	ASPIRE Healthcare Workforce Development	\$400,000.00	\$400,000.00	\$0.00
3/14/2022	Participatory Budgeting	\$3,000,000.00	\$0.00	\$3,000,000.00
3/28/2022	Mental Health Living Room Program	\$900,000.00	\$0.00	\$900,000.00
03/14/2022	Direct costs for PB planning that are ineligible under other categories	\$500,000.00	\$93,655.89	\$406,344.11
4/11/2022	The Aux - Assistance to Small Bus/Rehab of Commercial Property	\$1,000,000.00	\$334,100.00	\$665,900.00
4/11/2022	Northlight Theatre/Assistance to Disproportionately Impacted NPO	\$2,000,000.00	\$0.00	\$2,000,000.00
5/9/2022	Vehicles & supplies for Lead Service Line Replacement	\$1,000,000.00	\$310,349.00	\$689,651.00
5/9/2022	Business Dist Improve Plan & Implement/Aid to Other Impacted Industries	\$122,500.00	\$122,500.03	-\$0.03
6/13/2022	McGaw YMCA Men's Residence Renovation/Long-term Housing Security	\$3,000,000.00	\$0.00	\$3,000,000.00
6/27/2022	Single-Source Agreement with NU for PB Process	\$100,000.00	\$100,028.05	-\$28.05
7/11/2022	Family Focus Rehab/Assistance to Disproportionately Impacted NPO	\$3,000,000.00	\$274,699.72	\$2,725,300.28
7/11/2022	One-Stop Shop Housing Retrofit/Other Housing Assistance	\$500,000.00	\$125,000.00	\$375,000.00
7/11/2022	One-Stop Shop/Non-federal match for \$500K Solar "earmark" grant	\$500,000.00	\$0.00	\$500,000.00
7/25/2022	Childcare Workers/Private and Public Sector	\$500,000.00	\$497,500.00	\$2,500.00
9/12/2022	Lead Service Line Replacement-private property	\$2,000,000.00	\$216,326.67	\$1,783,673.33
9/12/2022	StreetPlus Business District Cleaning/Aid to Other Impacted Industries	\$509,701.00	\$463,998.96	\$45,702.04
9/19/2022	One-time payment to the Evanston Firefighters, IAFF employees	\$494,060.00	\$405,481.62	\$88,578.38
10/10/2022	Family Focus Welcoming Center/Strong Healthy Communities	\$500,000.00	\$128,705.74	\$371,294.26
11/14/2022	RPS Analyst (contract position) – Reimaging Public Safety Committee	\$30,000.00	\$20,018.00	\$9,982.00
11/14/2022	LEAP contract	\$15,000.00	\$15,000.00	\$0.00
2/13/2023	Mather workforce development	\$58,100.00	\$0.00	\$58,100.00
2/27/2023	Small/Medium Landlord Program	\$500,000.00	\$124,011.75	\$375,988.25
4/10/2023	Meridian Barricades	\$299,617.00	\$299,616.54	\$0.46
4/23/2023	Crosswalk Improvements	\$300,000.00	\$91,719.28	\$208,280.72
5/8/2023	Evanston Thrives	\$3,000,000.00	\$0.00	\$3,000,000.00
6/26/2023	New Affordable Housing - 33-Unit Project	\$1,500,000.00	\$0.00	\$1,500,000.00
2021, 2022 & 2023 Budgets	Parking Fund Projects and Operations	\$4,350,000.00	\$4,350,000.00	\$0.00
2021, 2022 & 2023 Budgets	Equipment Fund - vehicle replacement	\$3,950,000.00	\$3,950,000.00	\$0.00
2022 Budget	Public Sector Workforce: Rehiring Public Sector Staff	\$1,700,000.00	\$1,700,000.00	\$0.00
2022 Budget	Comprehensive Plan / Permit & Property Maintenance software upgrades	\$1,700,000.00	\$389,073.15	\$1,310,926.85
	Unallocated Grant Funds	\$592,206.00	\$0.00	\$1,059,245.01
		\$43,173,684.00	\$18,990,170.35	\$24,183,513.65

Notes:

Completed and canceled programs and projects are highlighted in grey, and the unexpended funds in the Balance column are included in the Unallocated Grant Funds total of \$1,059,245.01 in that column.

Arrington Lagoon furnishings were funded with ARPA interest so are not included in the chart above.

City Council Approval	ARPA Project/Program/Expense	Allocated to Date	Expended to Date	Balance
4/24/2023	Arrington Lagoon furnishings	\$54,064.00	\$54,064.00	\$0.00



Memorandum

To: Members of the Finance and Budget Committee
From: Clayton Black, Budget Manager
Subject: Discussion Regarding Credit Card Fees
Date: March 12, 2024

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
TOTAL	\$ 848,678	\$ 993,323	\$ 1,058,864	\$ 689,700	\$ 844,600

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

Legislative History:

This item was on the agenda of the Finance and Budget Committee in February 2024 but was tabled to the March 2024 meeting.



Memorandum

To: Members of the Finance and Budget Committee
From: Hitesh Desai, Chief Financial Officer/Treasurer
Subject: Discussion Regarding Property Tax Loss Factor
Date: March 12, 2024

Recommended Action:
Discussion only.

Committee Action:
For Discussion

Summary:

In February 2024, staff provided a summary of the property tax loss factor and the percent of the gross levy received for the past six years. 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 since FY FY 2020. There are no minimum loss factors.

Each year, the City levies four property tax levies: (1) the City Property Tax Levy, which includes 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. Cook County posts agency tax rate reports at <https://www.cookcountyclerk.kil.gov/property-taxes/tax-agency-reports>.

In compiling the additional data regarding the net levy (attached), staff found two items of note:

- In FY 2018 and FY 2019, the City asked Cook County to apply a 0% loss factor for debt service and a 2% loss factor for all other levies.
- From FY 2021 to FY 2023, Cook County applied a different formula to calculate the debt service loss factor. For all other levies, the formula has been "Gross Levy x (1-Loss Factor) = Net Levy". For Debt Service, the formula has been "Gross Levy ÷ (1+Loss Factor) = Net Levy". If the same formula were applied to the Debt Service Levy as used for the other levies, the rate would come out to approximately 4.8% as staff has noted.

Given that no loss factor was used for Debt Service and a 2% loss factor was used for all other levies in FY 2018 or FY 2019, the City collected \$732,545 less than the net levy in those years. With the 5% and 3% loss factors since FY 2020, the City has collected less than the gross levy, but more than the net levy in each year. When the City does collect funds above the net levy, they are deposited in their respective fund (i.e. General Fund, Police and Fire Pension Funds, Library Fund, etc.) and used to cover unbudgeted expenses that arise throughout the year, make up for other revenues that finish under budget, and in the case of the pension funds, to make additional pension contributions above and beyond the budgeted amount.

In reviewing the data, staff is comfortable setting the loss factor at 3% for all levies in line with the highest combined loss factor from the past six years. Staff considered a recommendation to reduce the loss factor for non-debt service levies to 2%, but the City would have fallen short of collecting its net levy for the public safety pension funds in four out of the last six years. Staff can continue to monitor property tax collections and share information with the committee if further adjustments are recommended.

Legislative History:

This item was discussed at the February 2024 Finance and Budget Committee meeting and committee requested additional information for discussion at the March 2024 meeting.

Attachments:

[Loss Factor Analysis](#)

LOSS FACTOR ANALYSIS

CITY		Gross	Loss	Net	Actual	% of	% of	Actual	
Tax year	Year	Levy	Factor	Levy (Budget)	Received	Gross	Net	Loss %	Difference
2017	2018	\$ 29,601,220	2.0%	\$ 29,009,196	\$ 28,848,555	97.5%	99.4%	2.5%	\$ (160,641)
2018	2019	\$ 31,458,363	2.0%	\$ 30,829,196	\$ 30,708,937	97.6%	99.6%	2.4%	\$ (120,259)
2019	2020	\$ 34,791,215	3.0%	\$ 33,805,487	\$ 33,802,126	97.2%	100.0%	2.8%	\$ (3,361)
2020	2021	\$ 33,753,649	3.0%	\$ 32,741,040	\$ 33,279,184	98.6%	101.6%	1.4%	\$ 538,144
2021	2022	\$ 34,243,983	3.0%	\$ 33,216,664	\$ 33,709,367	98.4%	101.5%	1.6%	\$ 492,703
2022	2023	\$ 34,525,671	3.0%	\$ 33,489,901	\$ 33,800,786	97.9%	100.9%	2.1%	\$ 310,885

DEBT SERVICE		Gross	Loss	Net	Actual	% of	% of	Actual	
Tax year	Year	Levy	Factor	Levy	Received	Gross	Net	Loss %	Difference
2017	2018	\$ 11,213,395	0.0%	\$ 11,213,395	\$ 11,029,889	98.4%	98.4%	1.6%	\$ (183,506)
2018	2019	\$ 11,233,427	0.0%	\$ 11,233,427	\$ 10,931,996	97.3%	97.3%	2.7%	\$ (301,431)
2019	2020	\$ 13,686,394	5.0%	\$ 13,002,074	\$ 13,294,253	97.1%	102.2%	2.9%	\$ 292,179
2020	2021	\$ 15,139,432	5.0%	\$ 14,418,507	\$ 14,939,938	98.7%	103.6%	1.3%	\$ 521,431
2021	2022	\$ 14,640,025	5.0%	\$ 13,942,881	\$ 14,365,046	98.1%	103.0%	1.9%	\$ 422,165
2022	2023	\$ 14,055,476	5.0%	\$ 13,386,168	\$ 13,758,340	97.9%	102.8%	2.1%	\$ 372,172

Note that Cook County used a different formula (Gross Levy ÷ (1+ Loss Factor = Net Levy)) to calculate the net levy from 2021 to 2023.

GNRL ASSTNC		Gross	Loss	Net	Actual	% of	% of	Actual	
Tax year	Year	Levy	Factor	Levy	Received	Gross	Net	Loss %	Difference
2017	2018	\$ 918,367	2.0%	\$ 900,000	\$ 916,521	99.8%	101.8%	0.2%	\$ 16,521
2018	2019	\$ 918,367	2.0%	\$ 900,000	\$ 903,910	98.4%	100.4%	1.6%	\$ 3,910
2019	2020	\$ 1,113,402	3.0%	\$ 1,080,000	\$ 1,100,904	98.9%	101.9%	1.1%	\$ 20,904
2020	2021	\$ 1,340,206	3.0%	\$ 1,300,000	\$ 1,318,390	98.4%	101.4%	1.6%	\$ 18,390
2021	2022	\$ 1,340,206	3.0%	\$ 1,300,000	\$ 1,340,033	100.0%	103.1%	0.0%	\$ 40,033
2022	2023	\$ 1,340,206	3.0%	\$ 1,300,000	\$ 1,323,403	98.7%	101.8%	1.3%	\$ 23,403

LOSS FACTOR ANALYSIS

LIBRARY			Gross	Loss	Net	Actual	% of	% of	Actual	
Tax year	Year		Levy	Factor	Levy	Received	Gross	Net	Loss %	Difference
2017	2018	\$	6,761,668	2.0%	\$ 6,626,435	\$ 6,649,933	98.3%	100.4%	1.7%	\$ 23,498
2018	2019	\$	6,887,755	2.0%	\$ 6,750,000	\$ 6,739,361	97.8%	99.8%	2.2%	\$ (10,639)
2019	2020	\$	7,476,289	3.0%	\$ 7,252,000	\$ 7,268,891	97.2%	100.2%	2.8%	\$ 16,891
2020	2021	\$	7,476,289	3.0%	\$ 7,252,000	\$ 7,369,039	98.6%	101.6%	1.4%	\$ 117,039
2021	2022	\$	7,476,289	3.0%	\$ 7,252,000	\$ 7,348,374	98.3%	101.3%	1.7%	\$ 96,374
2022	2023	\$	7,768,528	3.0%	\$ 7,535,472	\$ 7,632,769	98.3%	101.3%	1.7%	\$ 97,297

COMBINED			Gross	Loss	Net	Actual	% of	% of	Actual	
Tax year	Year		Levy	Factor	Levy	Received	Gross	Net	Loss %	Difference
2017	2018	\$	48,494,650		\$ 47,749,025	\$ 47,444,898	97.8%	99.4%	2.2%	\$ (304,127)
2018	2019	\$	50,497,912		\$ 49,712,622	\$ 49,284,204	97.6%	99.1%	2.4%	\$ (428,418)
2019	2020	\$	57,067,300		\$ 55,139,562	\$ 55,466,174	97.2%	100.6%	2.8%	\$ 326,612
2020	2021	\$	57,709,576		\$ 55,711,546	\$ 56,906,551	98.6%	102.1%	1.4%	\$ 1,195,005
2021	2022	\$	57,700,503		\$ 55,711,545	\$ 56,762,820	98.4%	101.9%	1.6%	\$ 1,051,275
2022	2023	\$	57,689,881		\$ 55,711,540	\$ 56,515,298	98.0%	101.4%	2.0%	\$ 803,758