



# **2024 Proposed Budget Overview**

Joint Ward Meeting Presentation

# 2025 Proposed Budget – Calendar

- **Friday, October 4:** Proposed Budget available on City website
- **Tuesday, October 8:** Budget Discussion at Finance and Budget Committee
- **Monday, October 14:** Budget Discussion at City Council
- **Monday, October 28:** Budget Public Hearing at City Council
- **Tuesday, October 29:** Budget Discussion at Finance and Budget Committee
- **Wednesday, October 30:** Budget Ward Meeting (1st/6th/7th)
- **Monday, November 4:** Truth in Taxation Public Hearing at City Council
- **Wednesday, November 6:** Budget Ward Meeting (2nd/5th/8th)
- **Thursday, November 7:** Budget Ward Meeting (3rd/4th/9th)
- **Monday, November 11:** Introduction of Tax Levy Ordinances
- **Tuesday, November 12:** Budget Discussion at Finance and Budget Committee
- **Monday, November 25:** Target Adoption of Budget by City Council

# Topics

- City of Evanston Budget Structure
- Overall Budget
- General Fund Budget
- Property Taxes
- Fee Increases
- Budget Priorities
- Menu of Options

# Breaking Down the Budget

The City's Budget is divided into **39 funds** and organized by **departments**.

- **Funds** - Largest financial unit of the budget.
  - Ex. General Fund, Water Fund, TIF Funds.
- **Departments** - Functional unit of government.
  - Ex. Police, Fire, Parks and Recreation

# Breaking Down the Budget

## Types of Funds:

- **General** - General operating fund and Human Services fund
- **Library** - Funds supporting Evanston Public Library
- **Capital Funds** - Major infrastructure projects (parks, roads, facilities, etc.)
- **Enterprise Funds** - Funds supported by user fees (Parking, Water, Sewer, Solid Waste)

# Breaking Down the Budget

## Types of Funds:

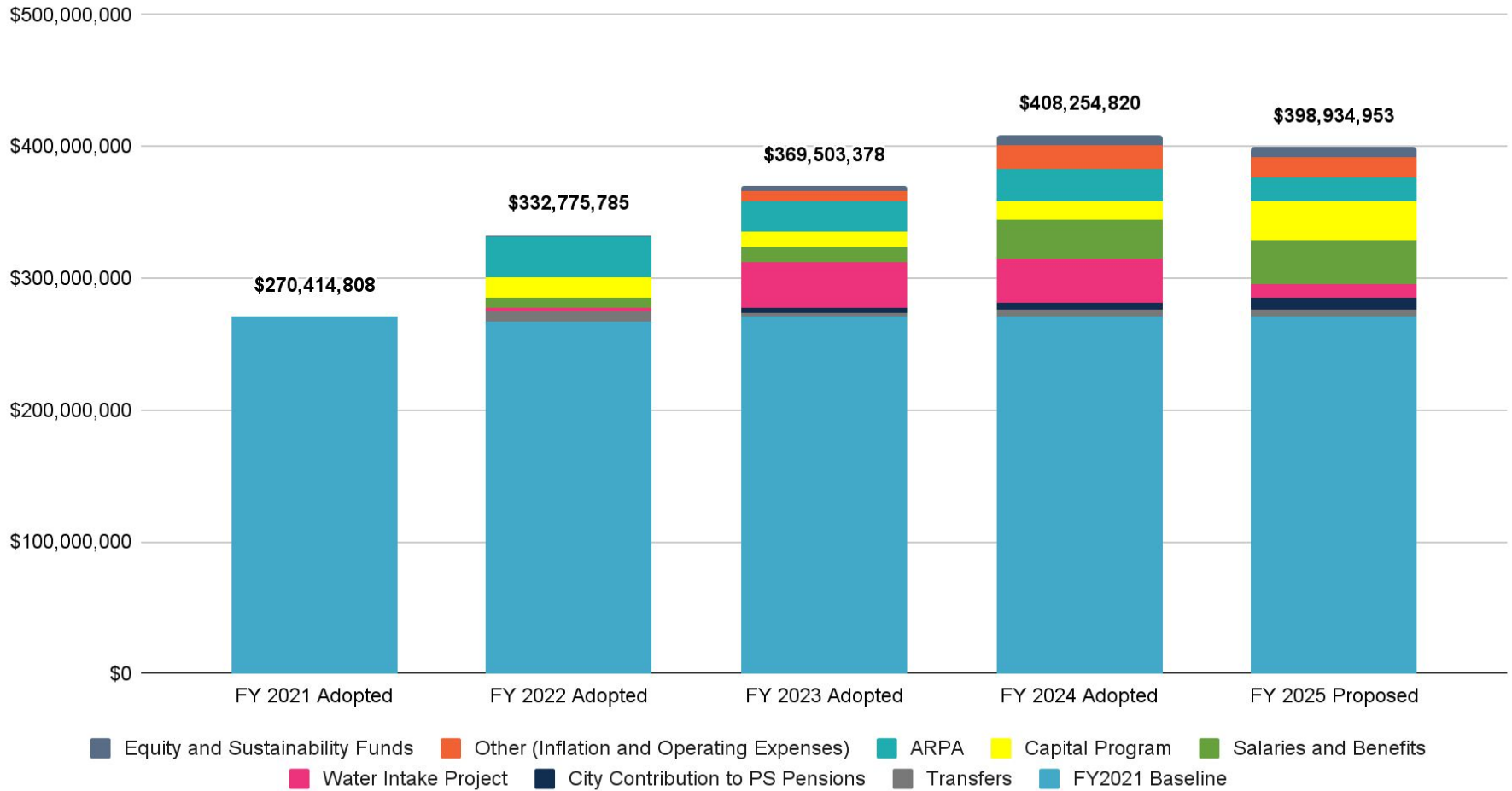
- **Special Revenue and TIF Funds** - To track funding from specific state and federal grants sources
- **Internal Services** - Funds that serve city operations, supported by transfers from all other funds. Ex. Fleet Maintenance, Insurance Fund
- **Debt Service Funds** - For annual payments on City bonds
- **Police and Fire Pension Funds (budgeted separately)** - Pension funds held in trust by the City, controlled by separate Pension Boards.

# Overall Budget

- **Total FY 2025 Proposed Budget = \$342.2 million.**  
(excluding \$56.8 million in operating transfers out)
- **Total FY 2024 Adopted Budget = \$355.5 million.**  
(excluding \$52.8 million in operating transfers out)
- **Decrease of \$13.4 million (excluding transfers)**
  - Water Intake Project - \$23.8 million
  - ARPA - \$7 million
  - Capital Fund + \$16.2 million
  - Salaries and Wages + \$4.5 million
  - Other - \$3.3 million

# Overall Budget

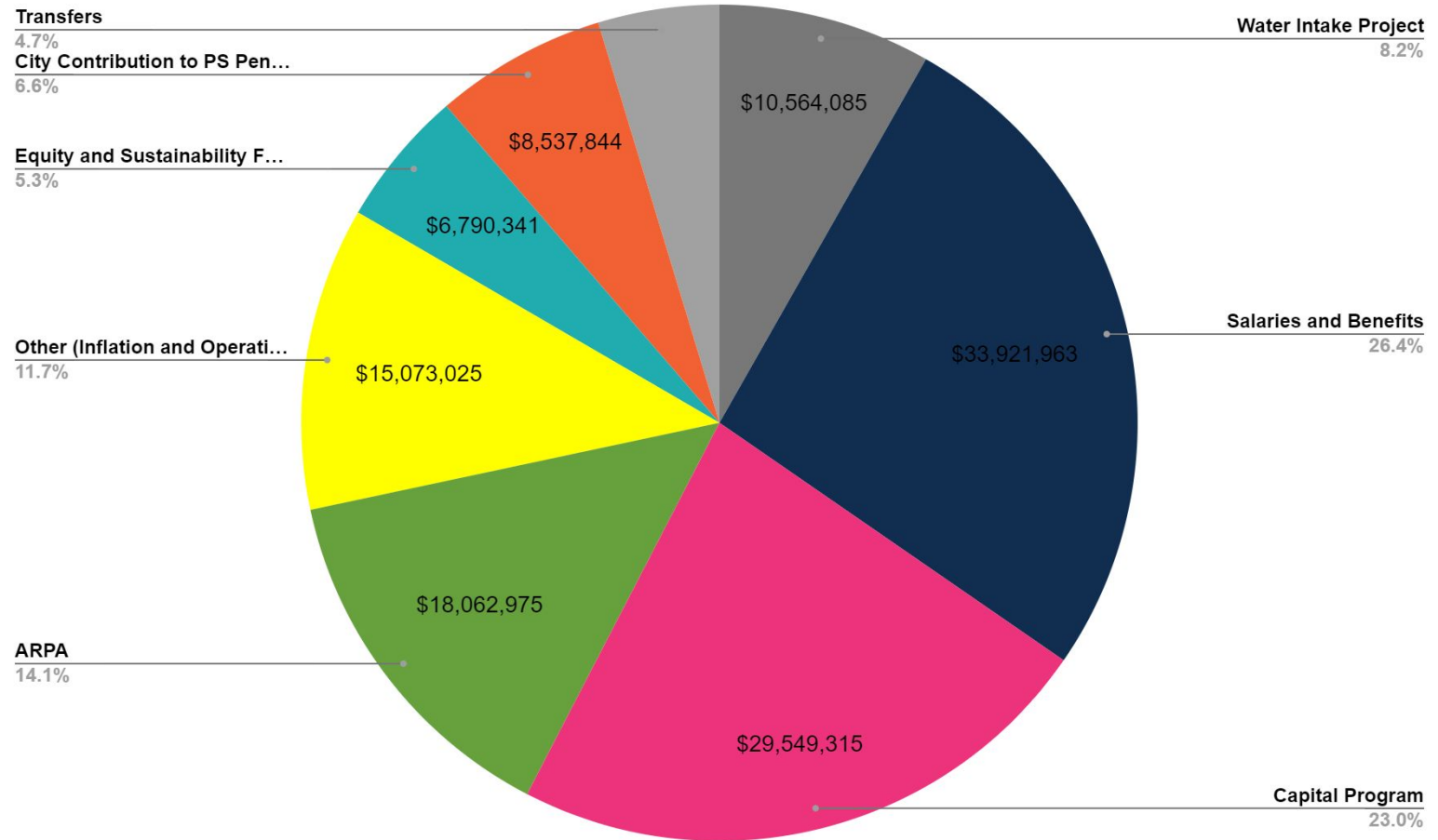
## Reasons for Budget Increases FY 2021 - FY 2025





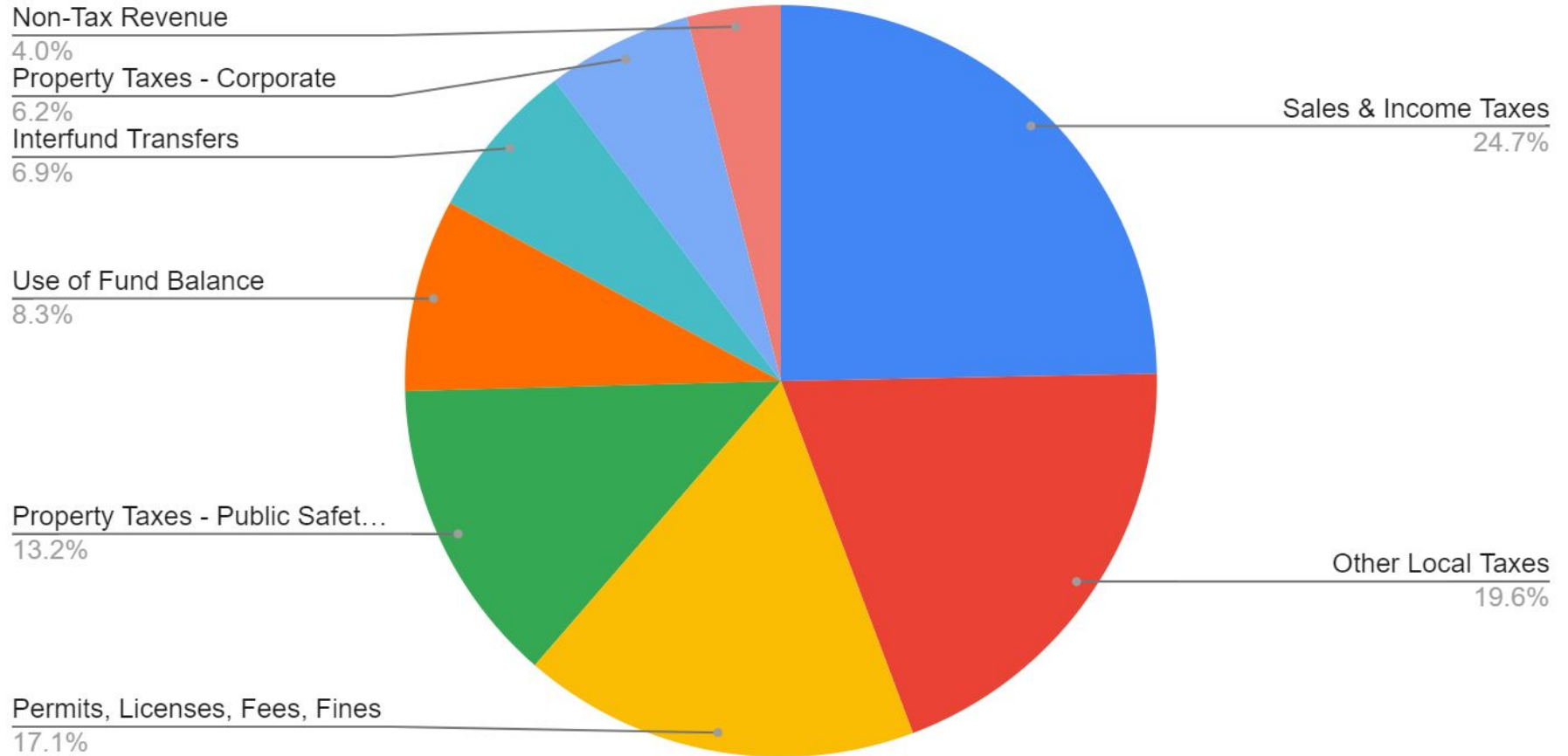
# Overall Budget

## Reasons for Budget Increases FY 2021 - FY 2025



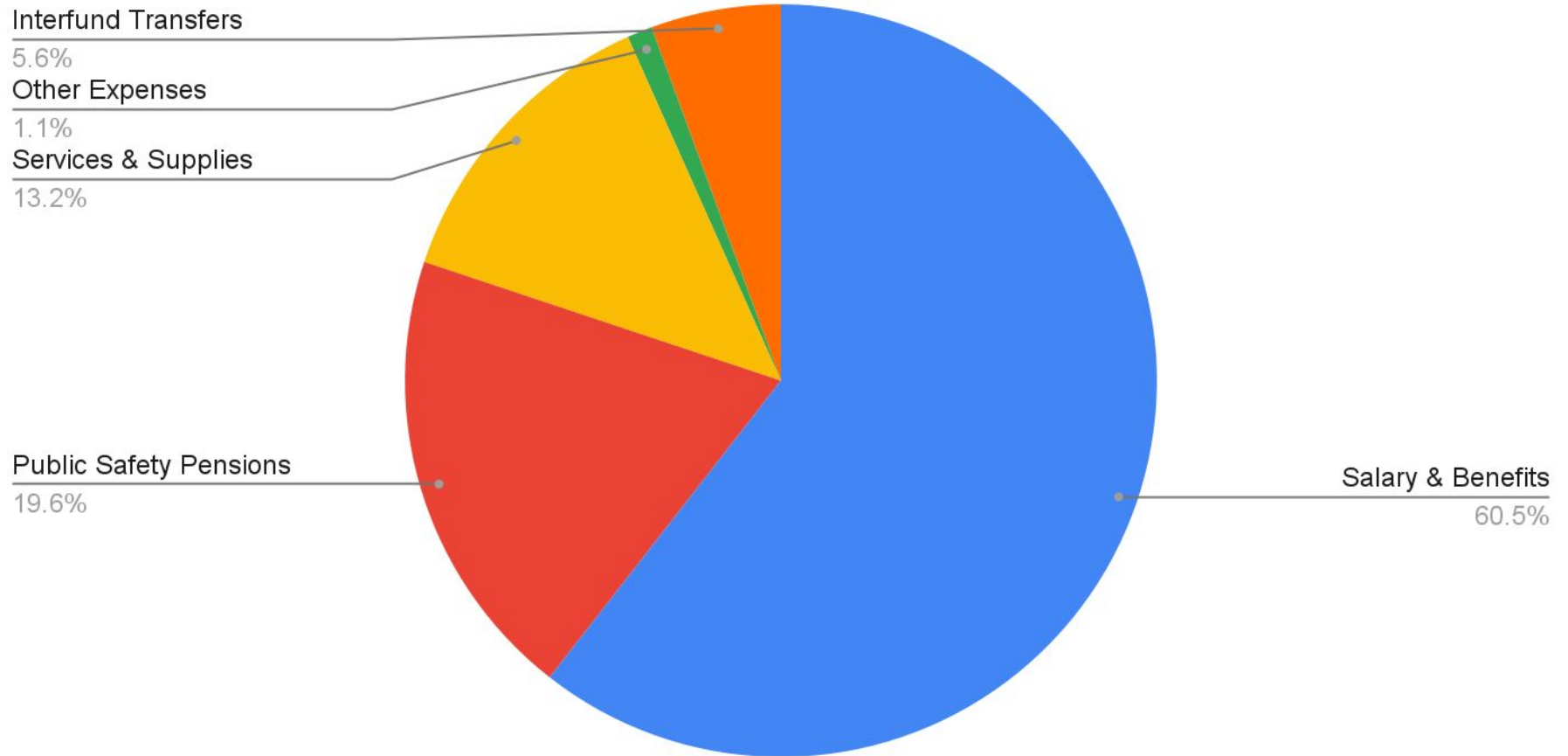
# General Fund

## General Fund Revenue Budget by Type (FY 2025)



# General Fund

## General Fund Expense Budget by Type (FY 2025)



# General Fund

- **Public Safety Pensions** - Required annual contribution increases by \$4 million to \$29.6 million with a property tax levy of \$20 million.
- **Wage Increases** - Budget includes contractual and non-union wage increases.
- **New Positions** - Three new positions with two offset by reduction in contractual services and additional revenue.
- **Operating Requests** - Increase of just 0.1% as all new operating requests have been offset by reductions in other areas.

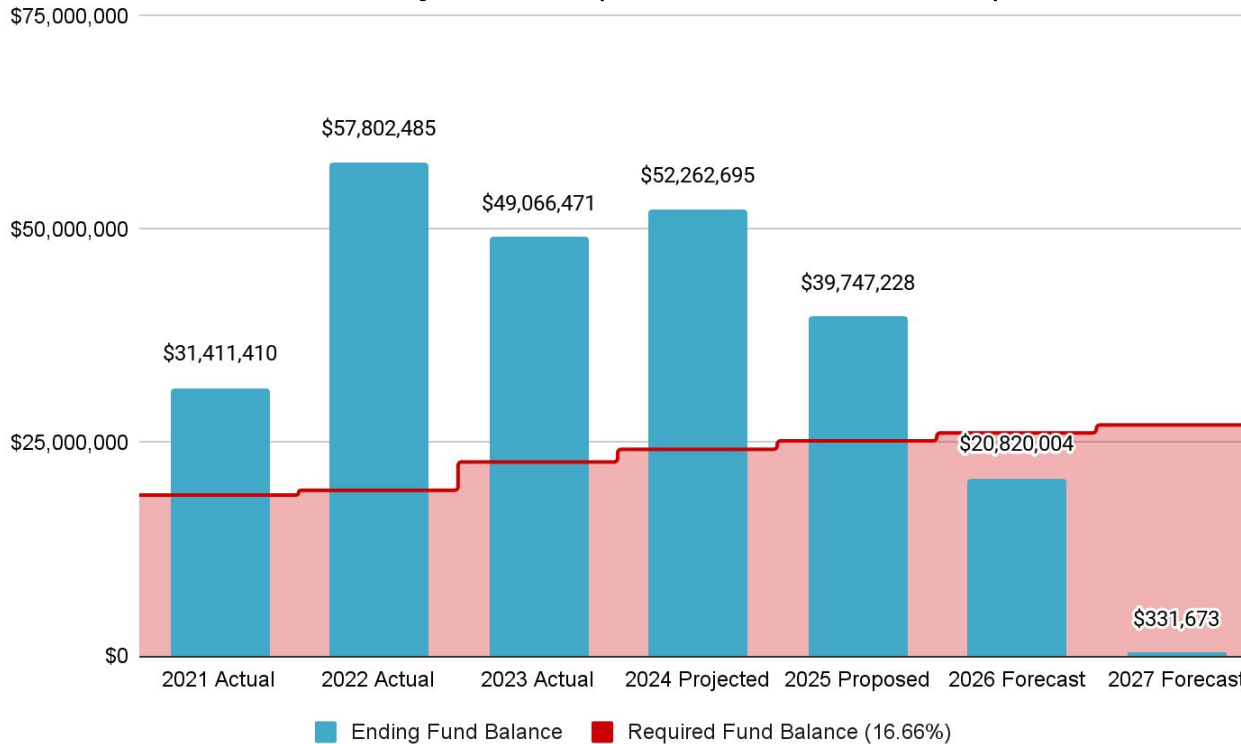
# General Fund

## Budget Balancing Worksheet (FY 2025)

General Fund Summary	Revenues	Expenses	Net
<b>Baseline General Fund</b>	137,262,935	144,295,723	<b>(7,032,788)</b>
Proposed General Fund Changes (detail below)	14,050,000	6,982,679	7,067,321
<b>Proposed General Fund Budget</b>	<b>151,312,935</b>	<b>151,278,402</b>	<b>34,533</b>
Proposed General Fund Changes	Revenues	Expenses	Notes:
<u><b>City-Wide Changes</b></u>			
GF Fund Balance	\$12,550,000		
NW Good Neighbor Revenue	\$1,500,000		
Vacancy Savings (4% --> 6%)		-\$1,813,966	
Transfer to Equipment Replacement Fund		-\$1,500,000	
2024 Required Pension Contribution		\$5,580,079	
2025 Required Pension Contribution		\$4,026,160	
Additional Police overtime and comp time per contract		\$500,000	
New Position - Manager of Field Services (Salary & Benefits)		\$190,406	

# General Fund

## General Fund Balance Projections (FY 2021 - FY 2027)



- Assumes no increase to property tax levy and a very steady reduction to the staff vacancy rate.
- Accounts for contractual wage increases during this time and assumes economy based revenues hold stable.

# Property Tax Levy

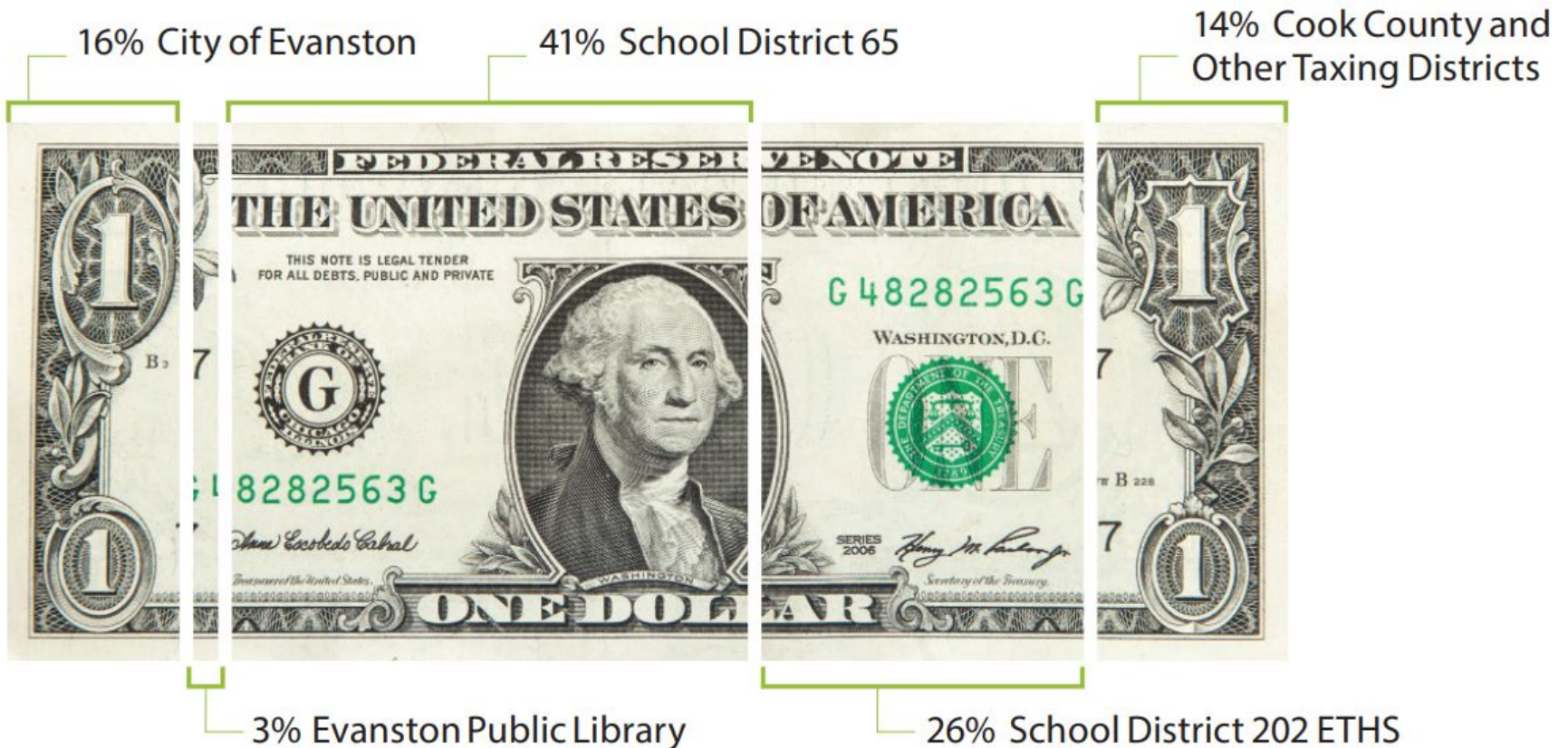
The property tax rate and tax levy are **not** the same.

- **Tax Levy:** Amount of money requested by the City and other taxing bodies (schools, county, etc.)
- **Tax Rate:** Tax levy divided by the total value of all properties in the City.

If property values increase, the tax levy can also increase with the rate remaining the same.

# Property Tax Levy

**For every dollar you pay in property tax, the City receives 16 cents.**





# Property Tax Levy

Community	2023 Composite Rate	2023 Municipality Rate	2023 Library Rate	2023 Park District Rate	Municipality + Library + Park District Rate	Municipality + Library + Parks as a % of the Composite Rate
Oak Park	10.811	1.622	0.482	0.521	2.625	24.28%
Palatine	9.825	0.978	0.353	0.649	1.98	20.15%
Arlington Heights	9.204	1.009	0.394	0.481	1.884	20.47%
Skokie	8.986	0.486	0.43	0.407	1.323	14.72%
Park Ridge	8.985	0.706	0.2	0.524	1.43	15.92%
Des Plaines	8.694	0.923	0.224	0.441	1.588	18.27%
Bloomington*	8.690	0.993	0.293	0	1.286	14.79%
Evanston*	8.066	1.298**	0.221	0	1.519	18.83%

\*Bloomington and Evanston have a Parks and Recreation Department, not a separate taxing Park District

\*\*Evanston Municipality rate also includes the General Assistance property tax levy

# Property Tax Levy

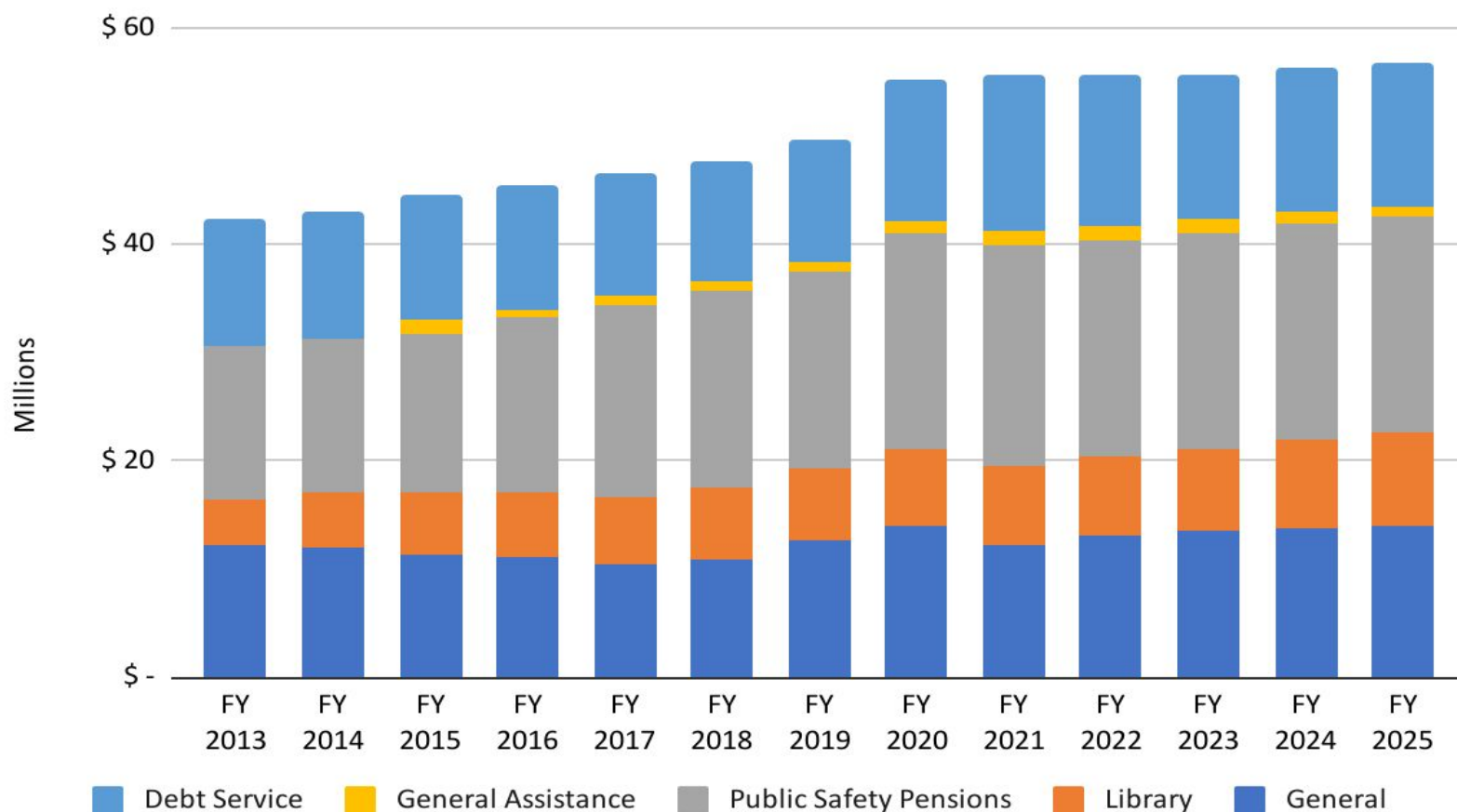
Community	Home Value	2023 Average Composite Rate	Approximate Tax Bill for Average Composite Rate	Approximate Property Tax towards Municipality + Library + Park District	Approximate Property Tax towards Elementary & Secondary School Districts	Approximate Property Tax Bill towards All Other Taxing Districts
Oak Park	\$500,000.00	10.811	\$16,304.61	\$3,958.89	\$10,136.28	\$2,209.44
Palatine	\$500,000.00	9.825	\$14,817.57	\$2,986.14	\$10,021.66	\$1,809.78
Arlington Heights	\$500,000.00	9.204	\$13,881.01	\$2,841.35	\$8,860.38	\$2,179.28
Skokie	\$500,000.00	8.986	\$13,552.24	\$1,995.28	\$10,243.35	\$1,313.60
Park Ridge	\$500,000.00	8.985	\$13,550.73	\$2,156.65	\$9,605.41	\$1,788.67
Des Plaines	\$500,000.00	8.694	\$13,111.86	\$2,394.94	\$8,860.38	\$1,856.53
Bloomington	\$500,000.00	8.690	\$13,105.82	\$1,939.48	\$7,807.69	\$3,358.65
Evanston	\$500,000.00	8.066	\$11,791.28	\$2,220.55	\$7,943.69	\$1,627.04

\*Evanston Municipality rate also includes the General Assistance property tax levy

Note: Total taxes for all communities include the Cook County Homeowners exemption.

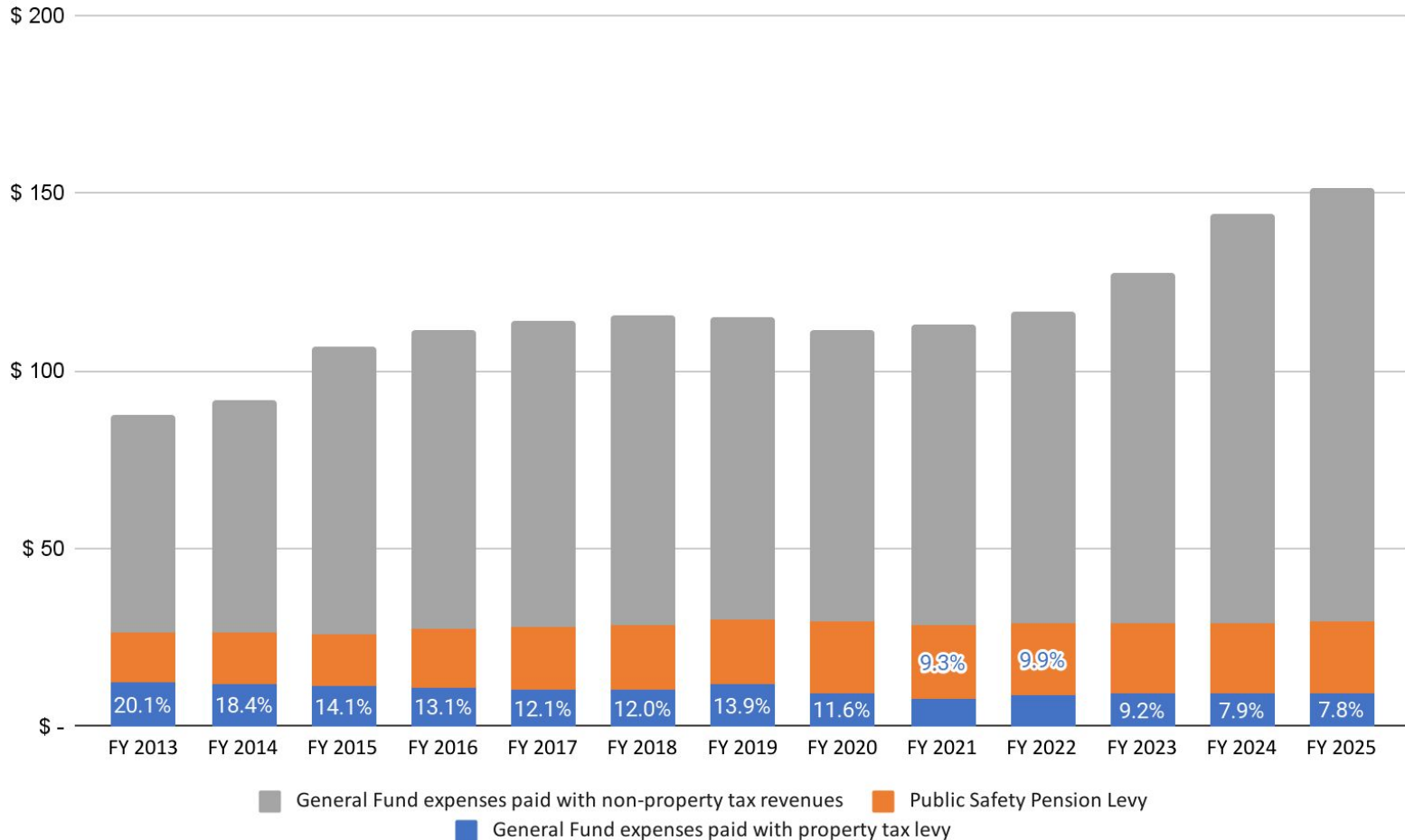
# Property Tax Levy

Property Tax Levy (FY 2013 - FY 2025)



# Property Tax Levy

## Percent of General Fund Expenses Paid for with Property Tax (FY 2013 -FY 2025)



# Property Tax Levy

## Impact of Inflation

### Gas

2019 - \$2.75/gallon

2024 - \$3.50/gallon (+27.3%)

### Fast Food

2019 - \$1.00

2024 - \$2.34 (+134%)

### Steel (per ton via State bid)

2019 - \$55.29/CWT

2024 - \$109.33 /CWT (+98%)

### Disney World Annual Pass

2019 - \$1,219

2024 - \$1,549 (+27.0%)

### College

#### (Public Four Year In-State)

2019 - \$10,655

2024 - \$12,308 (+15.5%)

### City of Evanston

#### Property Tax Levy Per Resident

2019 - \$621.92

2024 - \$625.10 (+0.5%)

# Property Tax Levy

	2022 Adopted Tax Levy (FY 2023)	2023 Adopted Tax Levy (FY 2024)	2024 Proposed Tax Levy (FY 2025)	\$ Change	% Change
General Fund Tax Levy	9,057,297	9,057,297	9,449,797	392,500	4.3%
Human Services Fund	3,110,000	3,360,000	3,650,000	290,000	8.6%
General Assistance Fund	1,300,000	1,050,000	750,000	-300,000	-28.6%
Solid Waste Fund	1,332,500	1,332,500	950,000	-382,500	-28.7%
Debt Service (City)	12,878,258	12,766,093	12,766,093	0	0.0%
Fire Pension Fund	9,598,610	9,598,610	9,598,610	0	0.0%
Police Pension Fund	10,391,495	10,391,495	10,391,495	0	0.0%
<b>Total City Levy</b>	<b>47,668,160</b>	<b>47,555,995</b>	<b>47,555,995</b>	<b>0</b>	<b>0.0%</b>
Library Fund	7,535,472	8,213,664	8,624,347	410,683	5.0%
Debt Service (Library)	507,913	574,677	576,946	2,269	0.4%
<b>Total Library Levy</b>	<b>8,043,385</b>	<b>8,788,341</b>	<b>9,201,293</b>	<b>412,952</b>	<b>4.7%</b>
<b>Total Levy (City and Library)</b>	<b>55,711,545</b>	<b>56,344,336</b>	<b>56,757,288</b>	<b>412,952</b>	<b>0.7%</b>

# Property Tax Levy

	2023 Adopted Tax Levy	2024 Levy			2024 Levy	
	(FY 2024)	If Reserves Not Available	% Change		Proposed Budget	% Change
General Fund Tax Levy	9,057,297	9,721,762	7.3%		9,449,797	4.3%
Human Services Fund	3,360,000	5,950,000	77.1%		3,650,000	8.6%
General Assistance Fund	1,050,000	1,000,000	-4.8%		750,000	-28.6%
Solid Waste Fund	1,332,500	1,332,500	0.0%		950,000	-28.7%
Debt Service (City)	12,766,093	14,159,314	10.9%		12,766,093	0.0%
Fire Pension Fund	9,598,610	13,810,918	43.9%		9,598,610	0.0%
Police Pension Fund	10,391,495	15,785,426	51.9%		10,391,495	0.0%
<b>Total City Levy</b>	<b>47,555,995</b>	<b>61,759,920</b>	<b>29.9%</b>		<b>47,555,995</b>	<b>0.0%</b>
Library Fund	8,213,664	8,624,347	5.0%		8,624,347	5.0%
Debt Service (Library)	574,677	576,946	0.4%		576,946	0.4%
<b>Total Library Levy</b>	<b>8,788,341</b>	<b>9,201,293</b>	<b>4.7%</b>		<b>9,201,293</b>	<b>4.7%</b>
<b>Total Levy (City and Library)</b>	<b>56,344,336</b>	<b>70,961,213</b>	<b>25.9%</b>		<b>56,757,288</b>	<b>0.7%</b>

# Other Fee Adjustments

Fee	Change	Reason	Impact on Evanston Resident
Water (Proposed)	<b>+23.3%</b>	Covers the cost of water main replacement, lead service line replacement.	<b>\$5/month</b> for the average Evanston water/sewer customer
Sewer (Proposed)	<b>-13.5%</b>	Less sewer infrastructure capital needs and fund balance reserve.	
Solid Waste (Approved)	<b>+7.5%</b>	Covers a portion of wage increases for staff and increases in cost of equipment and services.	<b>\$22.50/year</b> for those with 95 gallon cart.



# Capital Improvement Plan

Fund	FY 2025 Proposed	FY 2025 Prioritized (10/14/24)
187- Library Fund	\$1,900,000	\$1,900,000
200- Motor Fuel Tax Fund	\$4,117,185	\$4,117,185
215- CDBG Fund	\$1,160,000	\$1,160,000
335- West Evanston TIF Fund	\$1,560,790	\$1,560,790
365- Five Fifths TIF Fund	\$40,520	\$40,520
415- Capital Improvements Fund	<b>\$28,771,000</b>	<b>\$23,641,000</b>
420- Special Assessment Fund	\$1,650,000	\$1,650,000
505 - Parking Fund	\$2,600,000	\$2,600,000
510- Water Fund	\$41,970,905	\$41,970,905
515- Sewer Fund	\$2,740,000	\$2,740,000
Pass Through Grants	\$250,000	\$250,000
<b>Total</b>	<b>\$86,760,400</b>	<b>\$81,630,400</b>

# Budget Priorities

The City Council has set the following goals for 2023 to 2025. As part of each goal, the City Council has emphasized that equity be a key objective in achieving each objective.

- **Housing** — Expand the supply of safe and affordable housing in every neighborhood of Evanston.
- **CARP** — Achieve Evanston’s 2025 Climate Action and Resilience Plan [goals](#).
- **Economic Development** — Invest in and bolster Evanston’s unique identity and culture. Foster growth and stability for existing and new Evanston businesses. Ensure pathways to economic growth for residents.
- **Finance** — Responsible and sustainable stewardship of city assets.
- **Public Safety** — Ensure Evanston is safe and welcoming to all. Implement best practices and policies and develop coordinated alternative public safety responses.
- **Public Health** — Make significant and measurable progress toward addressing [E-plan priorities](#).

# Menu of Options

- Staff has compiled a list of 38 ideas to address the structural deficit and use of fund balance.
- Can explore any combination of these with the Finance and Budget Committee and City Council as part of this budget or next year.
- <https://www.cityofevanston.org/home/showpublisheddocument/97226/638636409521249423>