Citizen Budget Input Session

City Council Chambers
7:00 p.m. - September 10, 2014

www.cityofevanston.org/budget
Today’s Outcomes

Overview

• Budget Overview

• 2014 General Fund Revenues and Expenditures

• Other Funds Information

• Community Engagement

• Next Steps
Budget Overview

Fund Based Budgets:

- **General Fund**: Supports general City operations (i.e. Police, Fire, General Administration, Community and Economic Development, Health, Parks, Recreation and Community Services)

- **Enterprise Funds**: Used for services which charge a fee - handled like a business (i.e. Water, Sewer, Solid Waste and Parking Funds)

- **Capital Improvement Funds**: Separates major infrastructure and facilities expenses from operating expenses

- **Special Revenue Funds**: Created to monitor a specific activity (i.e. Economic Development Fund)
Budget Overview

Fund Based Budgets (Cont’d):

- **Debt Service Fund**: Monitors all General Obligation (G.O.) Debt supported by property taxes

- **Internal Service Funds**: Created to centralize city operations (i.e. Insurance and Fleet Funds)

- **Trust Funds**: (i.e. Police and Fire Pension Funds)
Budget Overview

The Budget Process

- Budget Office receives requests from Departments (July)
- Budget Preparation / Citizen Engagement (Aug.-Sept.)
- Proposed Budget presented to Council in October
- Budget discussions held by Council (Oct.-Nov.)
- Statutory Public Hearing is held in November
- Council budget discussions continue (Citizen Comment Welcome)
- Budget Adopted (anticipated November 24, 2014)
How Big is Evanston’s Budget?

• The City’s budget as adopted for FY 2014 is $254,627,610 across all funds.

• The City’s General Fund Budget for FY 2014 is $89,015,073.
  • The General Fund is the City’s largest fund.
  • The General Fund is primarily responsible for day-to-day government operations.
  • Water, Sewer, Parking operations are budgeted separately as enterprise funds.
FY 2014 Adopted General Fund Revenue = $89,185,298:

- Sales Tax: $15,790,000
- Property Tax: $12,271,386
- Utility Tax: $8,220,000
- Licenses, Permits, Fees: $12,622,280
- Interfund Transfers: $7,742,893
- Charges for Services: $7,936,754
- Other Non-Tax Revenue: $5,614,490
- Other Taxes: $5,965,053
- State Income Tax: $7,076,170
- Liquor Tax: $2,350,000
- Real Estate Transfer Tax: $2,875,000
- Intergovernmental Revenues: $721,272
Property Tax Distribution

Property Tax Bill Based on 2013 Tax Rates (Collected in 2014):

- City of Evanston: 18.06%
- School District 65: 37.66%
- School District 202: 27.59%
- Evanston General Assistance: 0.43%
- Communities College 535: 2.63%
- Evanston Library: 2.40%
- Cook County: 5.75%
- Consolidated Elections: 0.32%
- Metropolitan Water Reclamation District: 4.28%
- Cook County Forest Preserve District: 0.71%
- Suburban T.B. Sanitarium: 0.00%
- North Shore Mosquito Abatement District: 0.07%
2013 Adopted Property Tax Levy by Fund (Payable in 2014)

- General Fund, $9,388,452, 22%
- IMRF Pension, $2,642,934, 6%
- Library Fund, $5,032,097, 12%
- Library - Debt Service Fund, $748,178, 2%
- Police Pension Fund, $8,069,325, 19%
- Fire Pension Fund, $6,061,575, 14%
- Debt Service Fund, $11,049,841, 25%
Property Tax

City and Library Property Tax Levy

- **Library Tax Levy**
- **City Tax Levy**

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$35,000,000</td>
<td>$36,000,000</td>
<td>$37,000,000</td>
<td>$38,000,000</td>
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</table>
Property Tax

Property Tax Levy History:
FY 2014 General Fund Expenditures

- YTD expenditures through 7/31/14
- Expenditure target is below 58.33% of Budget
- Some expenditures do not occur evenly throughout the year

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Budget</th>
<th>Actual</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative</td>
<td>$677,621</td>
<td>$407,325</td>
<td>60.1%</td>
</tr>
<tr>
<td>City Administration</td>
<td>1,941,115</td>
<td>972,015</td>
<td>50.1%</td>
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<tr>
<td>Law Department</td>
<td>1,045,232</td>
<td>587,640</td>
<td>56.2%</td>
</tr>
<tr>
<td>Administrative Services Department</td>
<td>8,826,606</td>
<td>4,357,575</td>
<td>49.4%</td>
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<tr>
<td>Community. Development</td>
<td>2,652,887</td>
<td>1,462,546</td>
<td>55.1%</td>
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<tr>
<td>Police Department</td>
<td>26,876,444</td>
<td>16,062,658</td>
<td>59.8%</td>
</tr>
<tr>
<td>Fire &amp; Life Safety Services</td>
<td>14,072,488</td>
<td>8,437,208</td>
<td>60.0%</td>
</tr>
<tr>
<td>Health Department</td>
<td>3,009,286</td>
<td>1,652,266</td>
<td>54.9%</td>
</tr>
<tr>
<td>Public Works - Operating</td>
<td>17,884,613</td>
<td>10,505,878</td>
<td>58.7%</td>
</tr>
<tr>
<td>Parks, Recreation &amp; Comm. Services</td>
<td>10,483,281</td>
<td>6,953,428</td>
<td>66.3%</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>1,545,500</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$89,015,073</td>
<td>$51,398,539</td>
<td>57.7%</td>
</tr>
</tbody>
</table>
Other Funds Information

**Special Revenue Funds:**

- Library Fund – Created in FY 2012. Accounts for all revenues and expenses associated with the Evanston Public Library.
- General Assistance Fund – Created in 2014. Accounts for revenues and expenses associated with social services previously administered by the Evanston Township Supervisor.
- Motor Fuel Tax (MFT) – Accounts for operation of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation (IDOT). Funding is provided from the State of Illinois municipal allotment of gasoline tax revenue.
Special Revenue Funds (cont’d):

- Emergency Telephone System Fund - Accounts for revenues and expenditures for 911 emergency telephone service. Financing is provided by landline and wireless phone surcharges.

- Special Service District No. 4 Fund - Accounts for promotion, advertisement and street maintenance costs of the area located in the City's central business district. Financing is provided by the City through an annual special service area property tax levy.
Other Funds Information

**Special Revenue Funds (cont’d):**

- **Community Development Block Grant Fund** - Accounts for the revenues and expenditures of the Federal Community Development Block Grant program. Financing is provided by the Federal government on a reimbursement basis in accordance with Federal formula. Expenditures are made in accordance with Federal law requirements.

- **Community Development Loan Fund** - Accounts for residential rehabilitation loans to residents.

- **Economic Development Fund** - Accounts for costs associated with economic development activities of the City. Financing is primarily provided by hotel and amusement tax revenues.
Special Revenue Funds (cont’d):

- Neighborhood Improvement Fund - Accounts for a portion of sales tax revenues derived from retail sales at the Home Depot store in Evanston. Sales tax revenues allocated to this fund are to be expended on public projects that will benefit the immediate neighborhood nearby the store.

- HOME Fund – to account for the Home program. Financing is provided by the Federal government and used to create affordable housing to low-income households. Expenditures are made in accordance with the requirements of Federal law.

- Affordable Housing Fund - to account for costs associated with affordable housing programs for low and moderate income City of Evanston residents.
Other Funds Information

Debt Service Funds:

- Debt Service Fund - Accounts for non-abated, general obligation payments on the principal and interest related to bonds and/or other City debt.

- Special Service Area No. 5 Fund - Accounts for principal and interest payments on debt issued for this special taxing district.

- TIF Funds (Tax Increment Financing) - Accounts for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.
  - Howard-Hartrey
  - Washington National
  - Howard-Ridge
  - West Evanston
  - Dempster-Dodge
  - Main and Chicago
Other Funds Information

**Capital Projects Funds:**

- Capital Improvement Fund - Accounts for capital projects not funded through special revenue, tax increment financing, or enterprise funds. Capital projects include, but are not limited to: long term improvements to public buildings, the paving of city streets, and the improvement and development of recreation facilities. Financing is provided primarily by grants and general obligation bond proceeds.

- Special Assessment Fund - Accounts for capital improvements (primarily alley paving) financed by both special assessments on property owners and City contributions.
Enterprise Funds:

- Water Fund - Accounts for all activity related to providing water to Evanston residents, as well as the Village of Skokie and the Northwest Water Commission. All activities necessary to provide such services are accounted for in this fund, including, but not limited to: administration, operation, maintenance, debt service, and billing/collection.

- Sewer Fund - Accounts for all activity related to providing sewer service to City residents and businesses. Activities necessary to provide such service include, but are not limited to: administration, operations, financing, capital improvements/maintenance, and billing/collection.

- Parking Fund - Accounts for all City-owned parking facilities/garages, lots, and metered spaces. Maple Avenue and Sherman Plaza Garage activities have been included in this Fund beginning in FY09-10. All activities are accounted for, including administration, operations, financing and revenue collection.

- Solid Waste Fund – Accounts for all activity related to refuse, recycling and yard waste collection and disposal. Activities necessary to provide such service include, but are not limited to: administration, operations and revenue collection.
Internal Service Funds:

- Fleet Services Fund – Accounts for the cost of operating the municipal service center maintenance facility for transportation vehicles/equipment used by City departments. Such costs are billed to the user departments.

- Equipment Replacement Fund – Accounts for the costs associated with the purchase of vehicles and equipment.

- Insurance Fund - Accounts for all costs related to general liability and workers' compensation claims. Beginning with FY10-11, health insurance premiums are also accounted for in this Fund. This internal service fund uses “funding premium” payments from City operating funds to in turn pay claim and premium costs incurred.
Trust and Agency Funds:

- **Firefighters’ Pension Fund** - Accounts for the accumulation of resources to pay pension costs. Resources are contributed by sworn fire members at a fixed rate as mandated by state statute and by the City through an annual property tax levy as determined by an independent actuary.

- **Police Pension Fund** - Accounts for the accumulation of resources to pay pension costs. Resources are contributed by sworn police members at a fixed rate as mandated by state statute and by the City through an annual property tax levy as determined by an independent actuary.
All Funds Staffing History

Positions - All Funds

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2009-10</td>
<td>842.40</td>
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<tr>
<td>FY 2010-11</td>
<td>797.83</td>
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<tr>
<td>FY 2011</td>
<td>793.37</td>
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<tr>
<td>FY 2012</td>
<td>793.17</td>
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<tr>
<td>FY 2013</td>
<td>789.47</td>
</tr>
<tr>
<td>FY 2014</td>
<td>804.78</td>
</tr>
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</table>
FY 2014 Estimates

- YTD General Fund revenues through 7/31/14 are performing (3.4%) above the budget target. Staff will continue to monitor General Fund revenue performance throughout FY 2014 and will provide regular updates to the City Council.

- YTD General Fund expenditures through 7/31/14 are 0.63% below the budget target of 58.33%. Staff will seek to maintain General Fund expenditures below budget for the remainder of FY 2014.

- It is possible that both General Fund revenues and expenses will be slightly over budget, however staff feels that the fund will remain balanced for 2014.

- Based on current estimates, it is unlikely that Other funds such as Capital Improvements, Water, Parking, and Fleet will spend all of their budgets due to capital projects/equipment purchases not being completed by 12/31/14.

- Barring external circumstances such as reductions in federal or state funds, or a withholding of property taxes by the County, the overall 2014 budget appears stable.
FY 2015 Budget

• Staff anticipates that General Fund revenue sources will increase by an above inflation amount due to expected increases in Income and Sales taxes as well as increases in permit revenue in FY 2015.

• Per the bargaining unit contracts a gross wage increase of approximately 2.5% is included in the 2015 budget.

• General Fund non-public safety expense requests for FY 2015 are being examined for reductions (using a 3% reduction as an initial estimate).
Citizen Budget Outreach

• The goal of the Community Outreach effort is to solicit budget-related thoughts, comments and suggestions from the public.

• Residents can submit their budget ideas to the City in the following ways:
  • On the Web: www.cityofevanston.org/budget
  • By Email: budgetinquiries@cityofevanston.org
  • By Facebook: www.facebook.com/CityofEvanston
  • By Twitter: www.twitter.com/CityofEvanston
  • By Phone: Call 3-1-1
  • By Mail: City Manager’s Office, 2100 Ridge Ave., Evanston, IL 60201
  • By Mindmisher: http://www.engageevanston.org/

• Ideas and suggestions can also be provided during any future budget sessions.
## Future Budget Sessions

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>Friday, October 10, 2014</td>
<td>Proposed FY 2015 Budget Due</td>
</tr>
<tr>
<td>Monday, October 20, 2014</td>
<td>City Council Budget Discussion</td>
</tr>
<tr>
<td>7 p.m.</td>
<td>Council Chambers</td>
</tr>
<tr>
<td>Saturday, October 25, 2014</td>
<td>City Council Public Hearing</td>
</tr>
<tr>
<td>9 a.m.</td>
<td>Council Chambers</td>
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# Future Budget Sessions

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<th>Date</th>
<th>Time</th>
<th>Location</th>
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<tbody>
<tr>
<td>Monday, November 10, 2014</td>
<td>7 p.m.</td>
<td>Council Chambers</td>
<td>City Council Budget Discussion</td>
</tr>
<tr>
<td>Monday, November 17, 2014</td>
<td>7 p.m.</td>
<td>Council Chambers</td>
<td>City Council Budget Discussion</td>
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<tr>
<td>Monday, November 24, 2014</td>
<td>7 p.m.</td>
<td>Council Chambers</td>
<td>FY 2014 Budget Adoption</td>
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