

2027 Proposed Budget Overview

Finance and Budget Committee & City Council



October 7 and 12, 2026

Topics

1. Overall Budget
2. General Fund
 - Tax Rate Increases
 - Public Safety Pensions
3. Parks and Recreation Fund
4. Key Budget Insights
 - Property Tax Levy
 - Staffing Levels
 - Capital Improvement Program
 - Increases in Water and Solid Waste
 - Other Fund Highlights
5. Budget Calendar

Overall Budget

Overall Budget Summary (FY 2024 - 2027)

	FY2024 Adopted	FY2025 Adopted	FY2026 Adopted	FY2027 Proposed	% Change
Revenues	\$ 336,187,521	\$ 317,315,969	\$ 338,636,161	\$ 357,068,472	5.4%
Operating Transfers In	\$ 27,180,010	\$ 27,186,966	\$ 31,581,322	\$ 33,574,006	6.3%
Use of Fund Balance	\$ 10,532,793	\$ 12,478,221	\$ 13,242,296	\$ 6,325,000	-52.2%
TOTAL	\$ 373,900,324	\$ 356,981,156	\$ 383,459,779	\$ 396,967,478	3.5%
Expenditures	\$ 355,504,626	\$ 338,705,108	\$ 342,108,097	\$ 348,977,295	2.0%
Operating Transfers Out	\$ 52,750,194	\$ 56,783,310	\$ 61,904,799	\$ 63,897,483	3.2%
TOTAL	\$ 408,254,820	\$ 395,488,418	\$ 404,012,896	\$ 412,874,778	2.2%
EXCESS/(DEFICIT)	\$ (34,354,496)	\$ (38,507,262)	\$ (20,553,117)	\$ (15,907,300)	-22.6%

- Revenues increase by 5.4% in line with increases to economy based revenues, tax/fee increases, and addition of the Grants Fund.
- Expenses increase by 2% in line with salary and wage increases, increases to health insurance costs, and addition of the Grants Fund.
- Budget aims to better align revenues and expenses and reduce the use of excess reserves not as available as in previous years.

General Fund

General Fund Summary (FY 2024 - FY 2027)

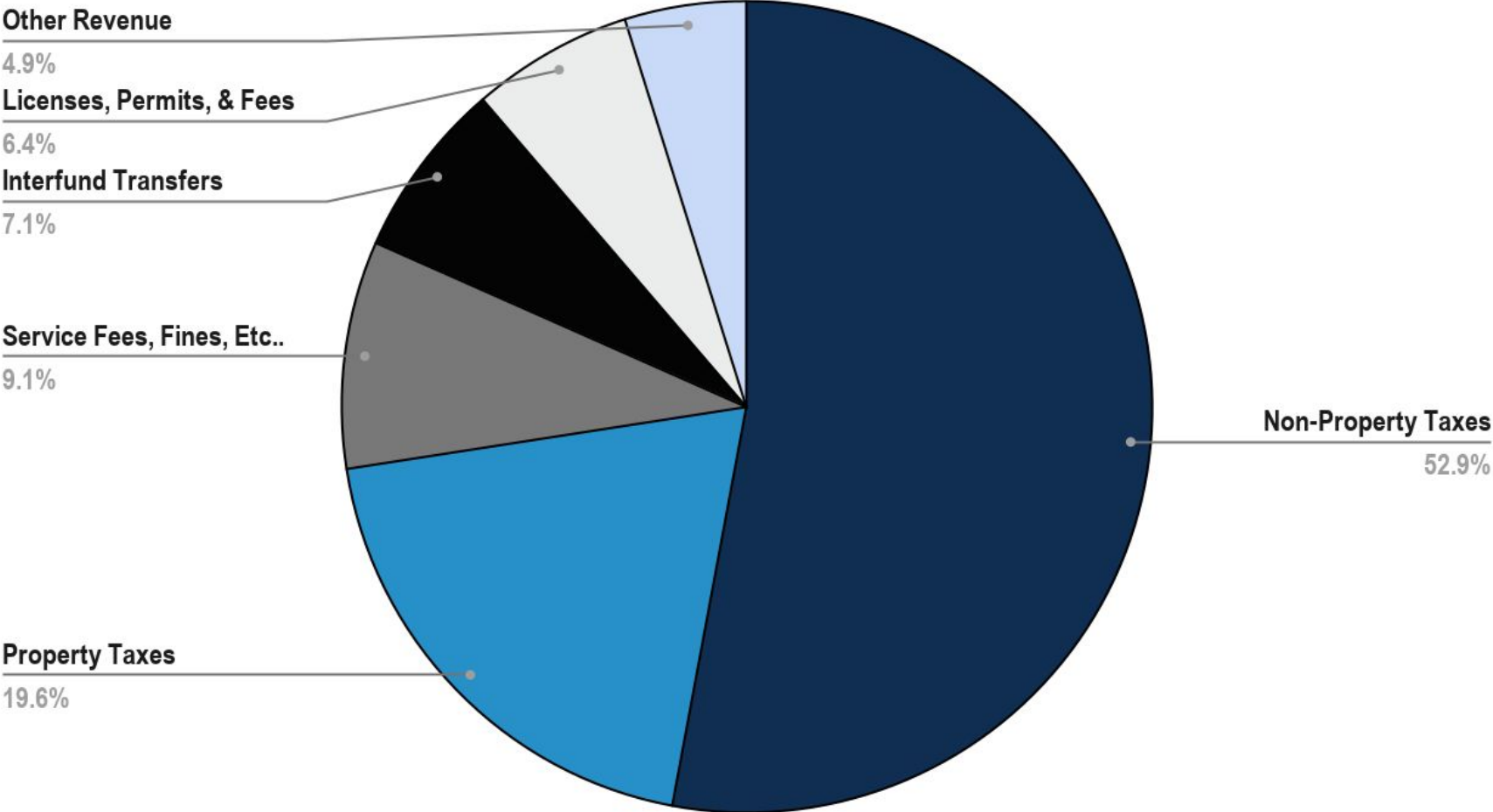
	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted	FY 2027 Proposed	% Change
Revenues	\$ 123,481,586	\$ 129,846,245	\$ 124,645,336	\$ 132,899,636	6.6%
Operating Transfers In	\$ 9,973,390	\$ 10,381,740	\$ 11,090,182	\$ 10,942,496	-1.3%
Revenue TOTAL	\$ 133,454,976	\$ 140,227,985	\$ 135,735,518	\$ 143,842,132	6.0%
Expenditures	\$ 109,476,759	\$ 113,331,458	\$ 105,464,449	\$ 106,723,271	1.2%
Operating Transfers Out	\$ 34,450,784	\$ 37,946,944	\$ 42,265,279	\$ 43,177,077	2.2%
Expenditure TOTAL	\$ 143,927,543	\$ 151,278,402	\$ 147,729,728	\$ 149,900,348	1.5%
Net Surplus/(Deficit)	\$ (10,472,567)	\$ (11,050,417)	\$ (11,994,210)	\$ (6,058,216)	-49.5%
Use of Fund Balance	\$ 10,532,793	\$ 11,085,000	\$ 12,050,000	\$ 6,070,000	-49.6%

Note: Beginning in FY 2026, the Parks and Recreation Department was moved to a separate fund.

- Revenues increase by 6.0% due to increases in economic activity and targeted tax rate increases (streaming, rideshare, natural gas use, etc.).
- Expenses increase by 1.5% primarily for wage increases and health insurance.

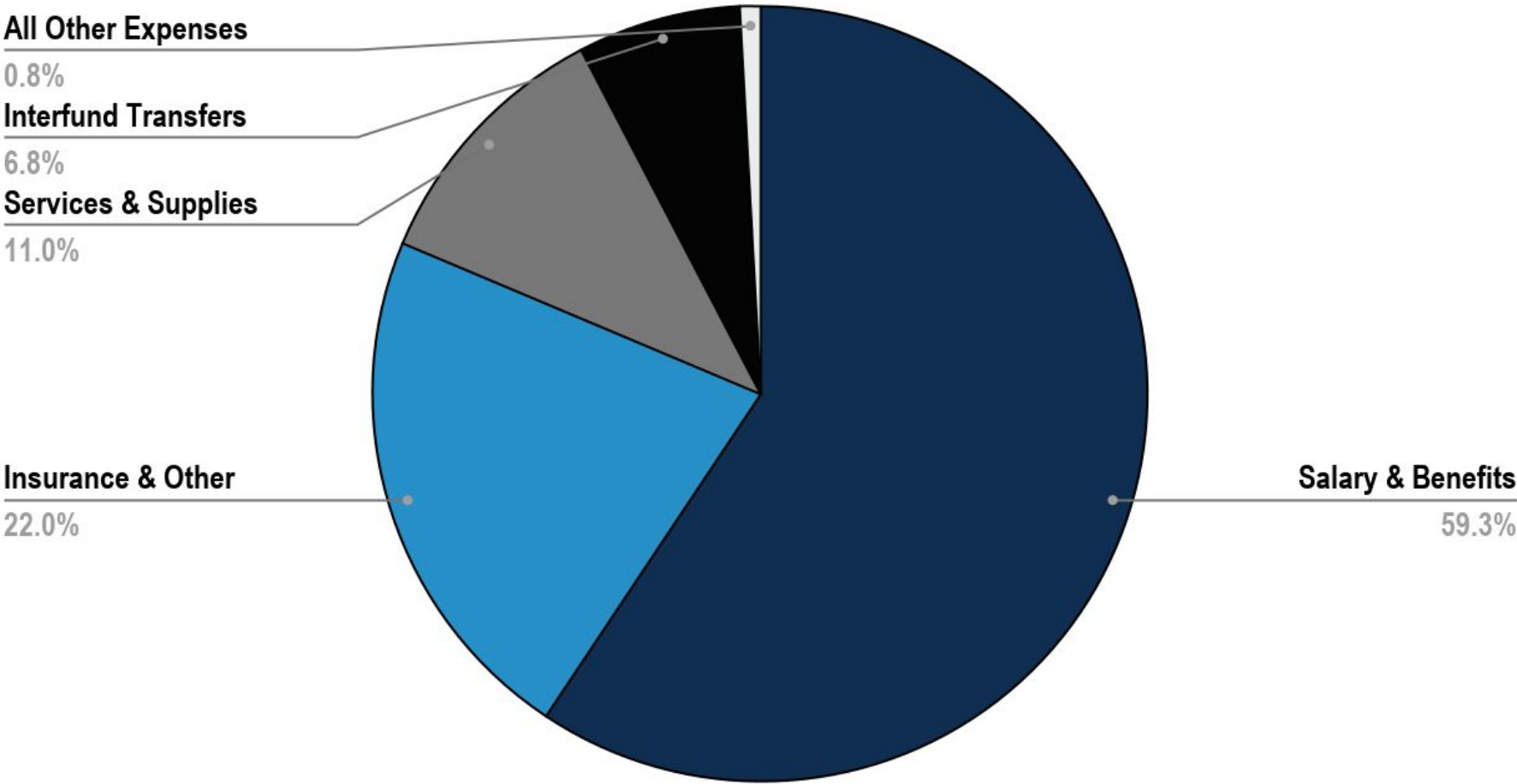
General Fund

Revenue Summary



General Fund

Expense Summary



General Fund

- **Public Safety Pensions** - City did not receive actuarial report from the pension funds in time for inclusion in the FY 2027 proposed budget. Required annual contribution held at FY 2026 level of \$30.3 million.
- **Wage Increases** - Budget includes 2% wage increases given uncertainty around collective bargaining contracts.
- **Health Insurance** - Budget includes a 17% increase in health insurance rates given claim experience and increased utilization of weight loss medications.
- **Vehicle Replacements** - Budget includes a \$1 million increase in vehicle replacements that have been covered by ARPA and ARPA interest since 2022.
- **Operating Requests - Net increase of \$990,000 in non-personnel expenses including the items below**
 - **\$400,000** - Economic development spending increase (note that \$1 million in additional spending was recommended by the Economic Development Committee)
 - **\$400,000** - Rightsizing the budget for electricity costs and building maintenance.
 - **\$370,000** - Zoning Code update to span through 2028.
 - **\$150,000** - Resources for cybersecurity and data loss prevention.

General Fund

Budget Balancing Worksheet (FY 2027)

General Fund Budget Balancing - FY 2027 Proposed			
General Fund Summary	Revenues	Expenses	NET
Baseline Budget:	\$ 140,892,132	\$ 145,870,781	\$(4,978,649)
<i>Proposed Changes (detail below):</i>	\$ 9,020,000	\$ 4,029,567	\$ 4,990,433
<i>Use of Excess Reserves</i>	\$ 6,070,000		
Rideshare Tax Increase	\$ 1,500,000		
Streaming Tax (Amusement) Increase	\$ 1,200,000		
Natural Gas Use Tax Increase	\$ 750,000		
Real Estate Transfer Tax Increases	\$ 500,000		
Property Tax Reduction (Corporate Levy)	\$ (1,000,000)		
Transfer to Parks Fund (Expense)		\$ 4,500,000	
Increase transfer to Equipment Replacement		\$ 780,000	
Reduce Vacancy Rate from 4% to 3%		\$ 738,022	
Transfer to Special Assessment Fund		\$ 600,000	
Admin Services Items		\$ 550,000	
Economic Development Spending		\$ 400,000	
Admin Services Position Increase Cost		\$ 51,545	
Police Vehicle Storage Savings		\$ (100,000)	
Services & Supply Reductions from FY26		\$ (897,000)	
Greenways Reallocation to Parks Fund		\$ (2,593,000)	
General Fund - Proposed Budget Total:	\$ 149,912,132	\$ 149,900,348	\$ 11,784



Tax Increases

Fee	Change	Explanation
Amusement Tax on Streaming Services	5% → 10%	Consistent with rate imposed by Chicago (10.25%).
Natural Gas Use Tax	\$0.025/therm → \$0.05/therm	Aligns with neighboring communities (i.e. Skokie, Arlington Heights, Buffalo Grove, Winnetka) and supports the City's CARP goals.
Transportation Network Provider Tax	\$0.20 → \$0.50	New rate is still notably lower than the rate imposed by Chicago (\$1.13).
Real Estate Transfer Tax	Top two tiers increase by \$1 per \$1,000 of value. Exempt Increase \$100 → \$500	Increases rates for higher cost property transactions.

General Fund

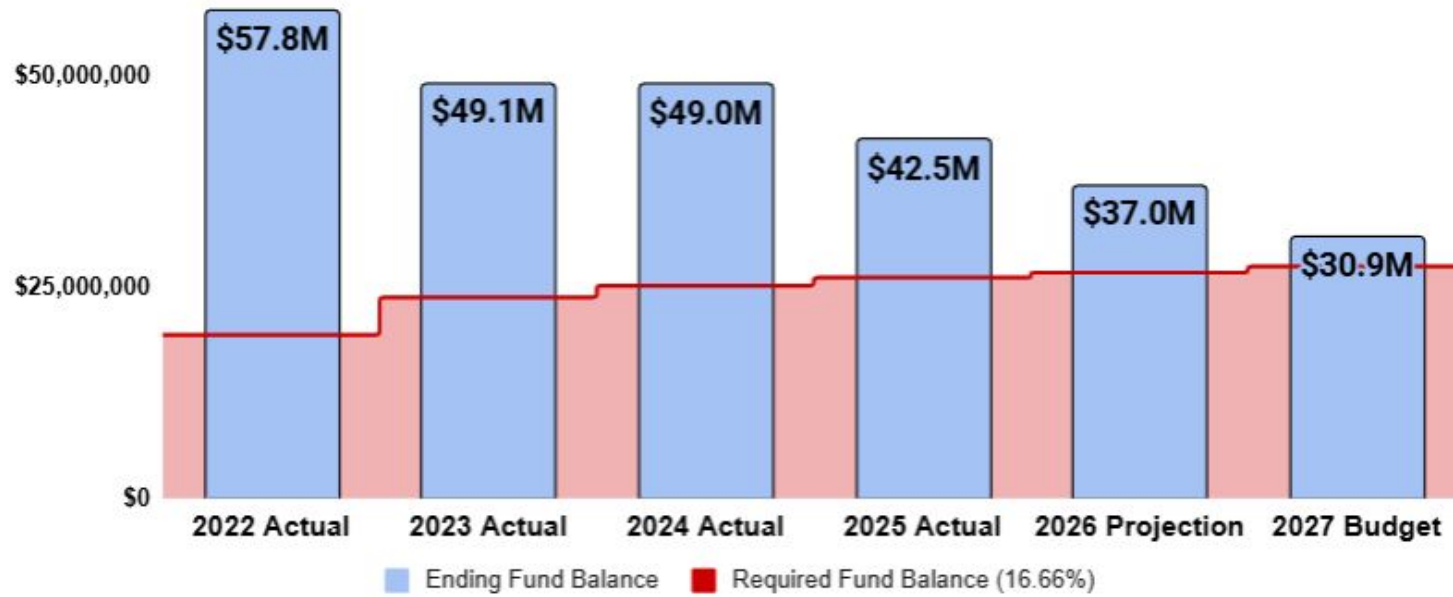
General Fund Projections (FY 2026)

	FY 2026 Budget	FY 2026 Low Projection	FY 2026 Projection	FY 2026 High Projection
Beginning Fund Balance	\$ 42,460,735	\$ 42,460,735	\$ 42,460,735	\$ 42,460,735
Revenues	\$ 151,995,720	\$ 158,819,976	\$ 160,758,575	\$ 162,078,376
Expenses	\$ (163,989,930)	\$ (167,720,184)	\$ (166,211,474)	\$ (165,697,883)
Surplus / (Deficit)	\$ (11,994,210)	\$ (8,900,208)	\$ (5,452,899)	\$ (3,619,507)
Projected Ending Fund Balance	\$ 30,466,525	\$ 33,560,527	\$ 37,007,836	\$ 38,841,228
Required Fund Balance	\$ 26,394,643	\$ 27,016,103	\$ 26,764,752	\$ 26,679,188
Excess Reserves	\$ 4,071,882	\$ 6,544,424	\$ 10,243,084	\$ 12,162,040

**Note: Parks and Recreation Fund expenses are included for purposes of required fund balance and excess reserve calculations.*

General Fund

Fund Balance Projection



- 2026 projection assumes a deficit of \$5.5 million. Current projection is a deficit of \$3.6 million to \$8.9 million.

Public Safety Pensions

	2023	2024	2025	2026	2027
Police Pension Contrib.	\$ 13,295,458	\$ 13,215,001	\$ 15,785,426	\$ 16,176,012	\$ 16,176,012
Fire Pension Contrib.	\$ 11,793,978	\$ 12,355,183	\$ 13,810,918	\$ 14,147,465	\$ 14,147,465
TOTAL:	\$ 25,089,436	\$ 25,570,184	\$ 29,596,344	\$ 30,323,477	\$ 30,323,477
Property Tax Levy	\$ 19,990,105	\$ 19,990,105	\$ 19,990,105	\$ 19,990,105	\$ 19,990,105
Other Funding Sources	\$ 5,099,331	\$ 5,580,079	\$ 9,606,239	\$ 8,381,972	\$ 8,027,172
PPRT	\$ -	\$ -	\$ -	\$ 1,951,400	\$ 2,306,200
Funding Target (%)	90%	100%	100%	100%	100%

**Per Resolution 12-R-26, 88.7% of PPRT Revenue will be part of the the City's public saftey pension contribution. FY 2027 Estimate assumes PPRT at \$2.6M total revenue, awaiting actuarial study.*

- City is still awaiting the actuarial study and is unable to plan 2027 contribution.
- City will have contributed \$37.7 million from fund balance to the public safety pension funds from 2023 - 2027 without raising the pension tax levy.
- Unlikely this will remain a sustainable approach

Parks and Recreation Fund

Parks and Recreation Fund Summary (FY 2026 - FY 2027)

	2026 Adopted	2027 Proposed	% Change
Revenues	\$ 10,701,500	\$ 15,483,000	44.7%
Operating Transfers In	\$ 5,558,702	\$ 4,500,000	-19.0%
GO Bonds (Parks)	\$ -	\$ 7,390,000	-
TOTAL:	\$ 16,260,202	\$ 27,373,000	68.3%

Operating Expenses	\$ 15,380,202	\$ 18,600,324	20.9%
Operating Transfers Out	\$ 880,000	\$ 1,108,500	26.0%
Capital/Debt Services	\$ -	\$ 7,590,000	-
TOTAL:	\$ 16,260,202	\$ 27,298,824	67.9%

- FY 2027 proposed budget includes addition of the Greenways Division and maintenance, capital, and debt service for community parks and recreation centers.
- The budget includes a mix of program fees (48%), property taxes (29%), and General Fund support (23%) to cover operating expenses.

Staffing Levels

Department	Position	FTE Eliminated	FTE Added
15 City Manager's Office	Manager of Org Performance	-1.00	
	Payroll/Pension Administrator	-1.00	
19 Admin Services	Management Analyst	-1.00	
	FOIA Analyst		1.00
21 Community Development	Planning & Policy Supervisor	-1.00	
	PRO Housing Planner		1.00
24 Health & Human Services	Workforce Development Coordinator	-1.00	
30 Parks and Recreation	Clerk III	-0.75	
	Facilities Supervisor	-0.40	
	Recreation Program Coordinator	-0.60	
	Recreation Program Coordinator	-1.00	
	Youth & Family Program Coordinator	-1.00	
	Youth & Family Program Manager	-1.00	
	Advanced Team Coach (Gymnastics)		0.60
	Food Services Coordinator		1.00
	Community Response Division Manager		1.00
	Outreach Supervisor		1.00
40 Public Works	Manager of Field Services	-1.00	
48 Library	Human Resources Manager	-1.00	
	Volunteer Services Coordinator	-0.67	
All Departments	Cumulative FTE Adjustments to PT Positions	-0.66	
	Totals	-13.08	5.60
	Cumulative FTE Change	-7.48	

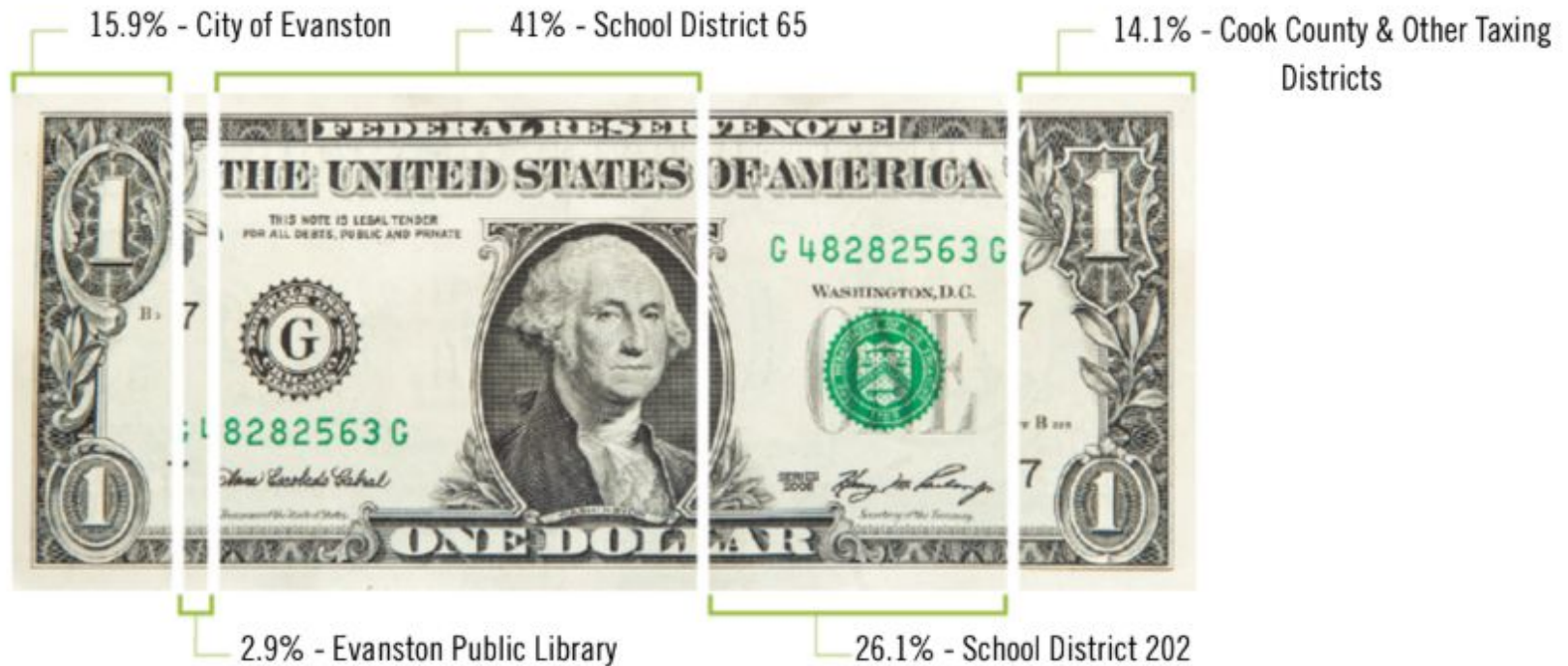
- Elimination of vacant FTE at the City (6) and Library (1.67).
- Reorganization in Parks and Recreation resulting in net reduction of 1.15 FTE.
- New position in Community Development fully covered with Pro Housing Grant Funds.
- New FOIA Analyst covered with reduction in Management Analyst in Admin Services.

2027 Proposed Budget - Property Tax Levy

Tax Levies	2023 Adopted Tax Levy (FY 2024)	2024 Adopted Tax Levy (FY 2025)	2025 Adopted Tax Levy (FY 2026)	2026 Proposed Tax Levy (FY 2027)	2026 Levy vs. 2025 Levy (FY2027 vs. FY2026)	
					Change (\$)	Change (%)
General Fund Tax Levy	\$ 9,057,297	\$ 9,057,297	\$ 9,949,797	\$ 9,399,797	\$ (550,000)	-5.5%
Parks and Recreation Levy	\$ -	\$ -	\$ 1,000,000	\$ 5,800,000	\$4,800,000	480.0%
Human Services Fund	\$ 3,360,000	\$ 3,360,000	\$ 6,150,000	\$ 5,625,000	\$ (525,000)	-8.5%
General Assistance Fund	\$ 1,050,000	\$ 1,050,000	\$ 750,000	\$ 1,275,000	\$ 525,000	70.0%
Solid Waste Fund	\$ 1,332,500	\$ 1,332,500	\$ 450,000	\$ -	\$ (450,000)	-100.0%
Debt Service (City)	\$12,766,093	\$12,766,093	\$12,766,093	\$14,104,532	\$1,338,439	10.5%
Fire Pension Fund	\$ 9,598,610	\$ 9,598,610	\$ 9,598,610	\$ 9,598,610	\$ -	0.0%
Police Pension Fund	\$10,391,495	\$10,391,495	\$10,391,495	\$10,391,495	\$ -	0.0%
Total City Levy	\$47,555,995	\$47,555,995	\$51,055,995	\$56,194,434	\$5,138,439	10.1%
Library Fund	\$ 8,213,664	\$ 8,624,347	\$ 9,486,782	\$ 9,723,951	\$ 237,169	2.5%
Debt Service (Library)	\$ 574,677	\$ 576,946	\$ 547,822	\$ 626,976	\$ 79,154	14.4%
Total Library Levy	\$ 8,788,341	\$ 9,201,293	\$10,034,604	\$10,350,927	\$ 316,323	3.2%
Total Levy (City & Library)	\$56,344,336	\$56,757,288	\$61,090,599	\$66,545,361	\$5,454,762	8.9%

2027 Proposed Budget – Property Tax Levy

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



2027 Proposed Budget – Proposed Property Tax Impact (2025 Tax Rates)

Market Value	10% Market Assessed Value	Equalized Value*	Estimated City/Library 2025 Tax Levy	Projected City/Library 2026 Tax Levy (with 8.9% Increase)	Estimated Increase (Annual)
\$250,000	\$25,000	\$75,750	\$1,047.47	\$1,141.02	\$93.55
(Median) \$481,200	\$48,120	\$145,804	\$2,016.17	\$2,196.23	\$180.06
\$750,000	\$75,000	\$227,250	\$3,142.41	\$3,423.06	\$280.64
\$1,000,000	\$100,000	\$303,000	\$4,189.88	\$4,564.07	\$374.19

*Does not account for homeowner or other exemptions

2027 Proposed Budget – Property Tax Rate

	Home Value	2025 Avg Composite Rate	Approximate Tax Bill for Composite Rate	Approximate Tax Bill for City + Library + Park District	Approximate Tax Bill for Elem. & High School Districts	Approximate Tax Bill for All Other Taxing Districts
Oak Park	\$ 481,200	11.6646	\$ 17,007.41	\$ 4,166.05	\$ 10,865.28	\$ 1,976.08
Palatine	\$ 481,200	8.7467	\$ 12,753.00	\$ 2,413.78	\$ 8,438.82	\$ 1,900.40
Skokie	\$ 481,200	8.6014	\$ 12,541.15	\$ 1,802.28	\$ 9,591.11	\$ 1,147.77
Arlington Heights	\$ 481,200	8.3389	\$ 12,158.42	\$ 2,431.13	\$ 7,807.49	\$ 1,919.80
Park Ridge	\$ 481,200	8.2597	\$ 12,042.94	\$ 1,815.69	\$ 8,622.53	\$ 1,604.71
Bloomington*	\$ 481,200	8.0679	\$ 12,811.50	\$ 1,946.68	\$ 7,783.86	\$ 3,080.96
Des Plaines	\$ 481,200	7.9658	\$ 11,614.42	\$ 2,083.24	\$ 7,940.32	\$ 1,590.86
Evanston**	\$ 481,200	7.3690	\$ 10,744.27	\$ 2,016.17	\$ 7,213.78	\$ 1,514.32

*Bloomington uses McLean County's calculation for a property's EAV at 33.33% of market value, which differs from Cook County

**Evanston Municipality rate also includes the General Assistant property tax levy.

Note: Total taxes for this table do not include homeowner or other exemptions.

2027 Proposed Budget – Property Tax Rate

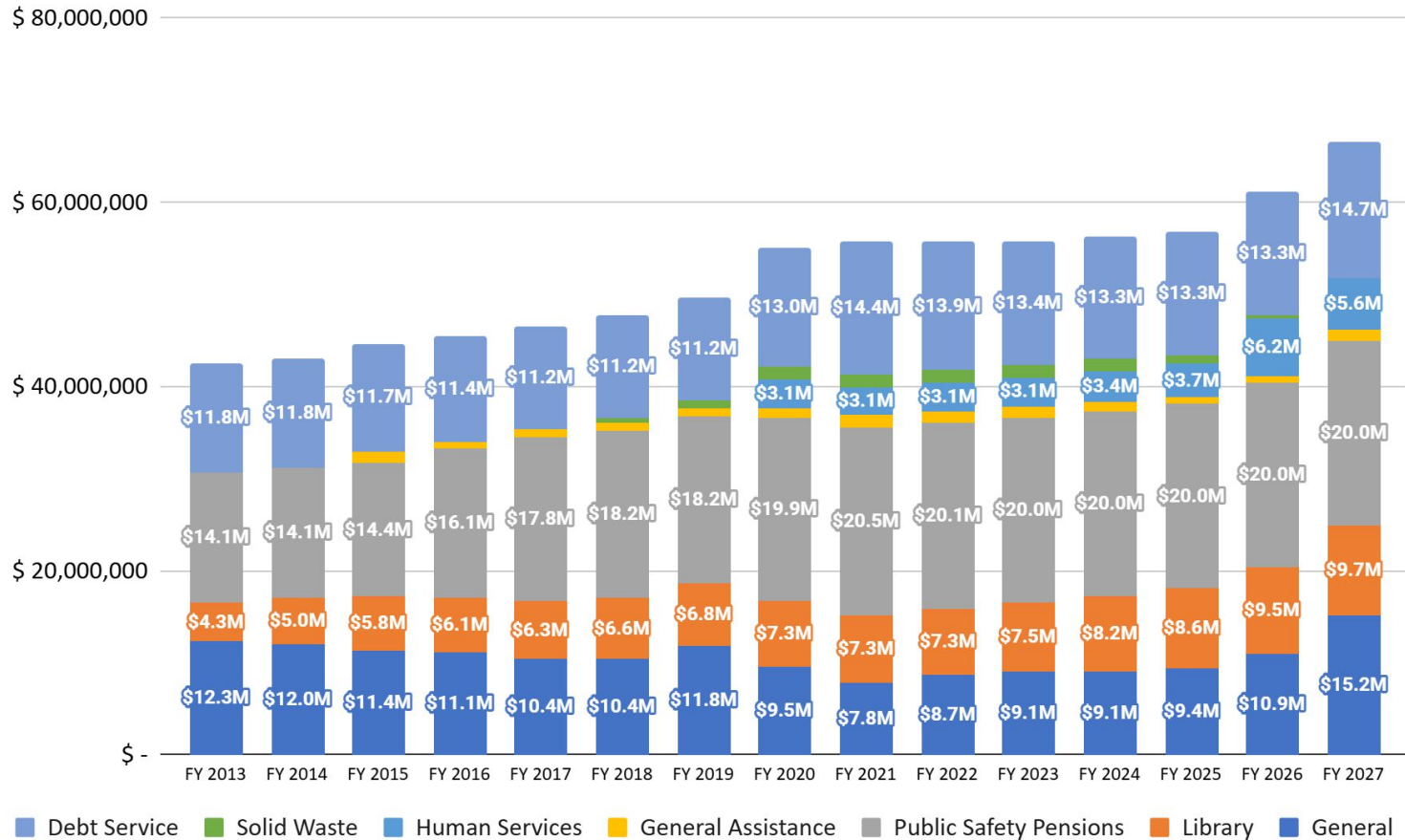
	2025 Avg Composite Rate	2025 Municipality Rate	2025 Park District Rate	2025 Library Rate	City + Library + Park District Rate	City + Library + Parks as % of Composite Rate
Oak Park	11.6646	1.7599	0.5686	0.5288	2.8573	24.50%
Arlington Heights	8.3389	0.8878	0.4275	0.3521	1.6674	20.00%
Palatine	8.7467	0.7793	0.5689	0.3073	1.6555	18.93%
Evanston*	7.3690	1.1683**	0.0000	0.2145	1.3828	18.77%
Des Plaines	7.9658	0.8268	0.4075	0.1945	1.4288	17.94%
Bloomington*	8.0679	0.9616	0.0000	0.2643	1.2259	15.19%
Park Ridge	8.2597	0.6103	0.4561	0.1789	1.2453	15.08%
Skokie	8.6014	0.4479	0.3859	0.4023	1.2361	14.37%

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

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

2027 Proposed Budget – Property Tax Impact

Property Tax Levy (FY 2013 - FY 2027)



Capital Improvement Plan by Fund

Full details for FY 2027 proposed capital projects can be found on the budget website (cityofevanston.org/government/budget/) or Public Works' [CIP Dashboard](#)

Fund / Source	FY 2027 CIP Expenditures
130 - Parks and Recreation Fund	\$ 7,390,000
187 - Library Capital Improvement Fund	\$ 255,000
200 - Motor Fuel Tax Fund	\$ 4,800,000
215 - CDBG Fund	\$ 450,000
330 - Howard Ridge TIF Fund	\$ 100,000
335 - West Evanston TIF Fund	\$ 1,550,000
345 - Chicago-Main TIF Fund	\$ 840,000
365 - Five Fifths TIF Fund	\$ 220,000
415 - Capital Improvements Fund	\$ 18,930,000
420 - Special Assessment Fund	\$ 720,000
505 - Parking Fund	\$ 1,500,000
510 - Water Fund	\$ 40,875,000
515 - Sewer Fund	\$ 8,650,000
Total - 2027 Budgeted CIP	\$ 86,280,000
Large Facility Projects, Funding TBD	\$ 2,300,000
Pass Through Grant Projects	\$ 11,400,000
Grand Total - 2027 CIP	\$ 99,980,000

Capital Improvement Plan Funding Sources

Funding Source	2027
Bonds	\$ 47,446,000
Water Fund-Abated Bonds	\$ 25,301,000
GO Bonds	\$ 21,020,000
Rollover 2026 GO Bonds	\$ 1,125,000
Grants and Forgivable Loans	\$ 28,867,000
Pass-Through Grants	\$ 11,400,000
Water IEPA SRF	\$ 10,642,000
Other Non-Bond Capital	\$ 3,675,000
Sewer IEPA SRF	\$ 2,700,000
CDBG	\$ 450,000
Local Sources	\$ 21,367,000
Water / Sewer Fund Reserves	\$ 10,882,000
MFT	\$ 4,800,000
TIF Funds	\$ 2,710,000
Parking	\$ 1,500,000
Special Assessment	\$ 720,000
Crown Maintenance	\$ 400,000
Library Fund	\$ 255,000
Sidewalk Resident Share	\$ 100,000
Large-Scale Facilities, TBD	\$ 2,300,000
Total	\$ 99,980,000



Rate Adjustments

Fee	Change	Reason	Impact on Evanston Resident
<u>Solid Waste Fund:</u> Franchise Fees - Commercial	+5%	Increase fund revenue to reduce operating deficit.	-
<u>Solid Waste Fund:</u> Residential Trash Service Fees	<u>Overall +9%</u> 95 Gal. + 4.6% 65 Gal. + 11.4% 35 Gal. + 11.3% Condo + 11.7 % Apartment + 18.1%	Increase fund revenue to reduce operating deficit.	<u>Customer Increase per Year</u> 95 Gal. +\$15.00 65 Gal. +\$19.20 35 Gal. +\$16.20 Condo +\$16.20 Apartment +\$6.00
<u>Solid Waste Fund:</u> Bag Tax	+\$0.05	Increase fund revenue to reduce operating deficit. Increasing this fee is consistent with the City's CARP goals.	\$0 if no bags are used in a transaction.
<u>Water Fund:</u> Residential Water Rate	+25%	Cost required to meet federal and state mandates to replace lead service lines and local goals to replace aging water mains.	+\$135/household per year

Other Fund Highlights

- **Human Services Fund**
 - Property tax decrease to offset a needed increase in the General Assistance Fund.
- **Dempster Dodge TIF Fund**
 - Fund expected to close at the end of 2027 and transfer all remaining debt service requirements to the Debt Service Fund.
- **Grants Fund**
 - “PRO Housing Fund” was expanded to include other State and Federal grant projects including DCEO Urban Shelter, ESG, Brownfield, Stretch Code.
- **Special Assessments Fund**
 - Long waiting list of alleys to be paved. Increasing the amount of work performed annually would require additional funding, potentially an increase to the bond issuance.
- **American Rescue Plan Act (ARPA) Fund**
 - All remaining dollars allocated to Evanston will be spent in early 2027 and then the fund will be closed out.

Budget Calendar

- **April - October 2026:** Staff work with departments to draft FY 2027 budget.
 - **April 2026:** Preliminary meeting with Finance and Budget Committee
 - **May 2026:** Staff meet with elected officials to discuss FY 2027 budget.
 - **July 2026:** Fund Balance review with Finance and Budget Committee
 - **July 2026:** Staff meet with elected officials to discuss FY 2027 budget.
 - **August 2026:** 2026/2027 Budget review with Finance and Budget Committee
 - **Tuesday, October 6:** 2027 Proposed Budget available on City Website
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- **Wednesday, October 7:** Budget Discussion with Finance and Budget Committee
 - **Monday, October 12:** Budget Discussion at City Council
 - **Monday, October 26:** Budget Public Hearing at City Council
 - **October - November:** Budget Ward Meetings
 - **Monday, November 2:** Truth in Taxation Hearing at City Council
 - **Wednesday, November 4:** Budget Discussion with Finance and Budget Committee
 - **Monday, November 9:** Budget Discussion & Introduction of Tax Levy Ordinances
 - **Monday, November 23:** Target Adoption of 2027 Budget by City Council
 - **Late December:** Tax Levy Filing Deadline

<https://www.cityofevanston.org/budget/>