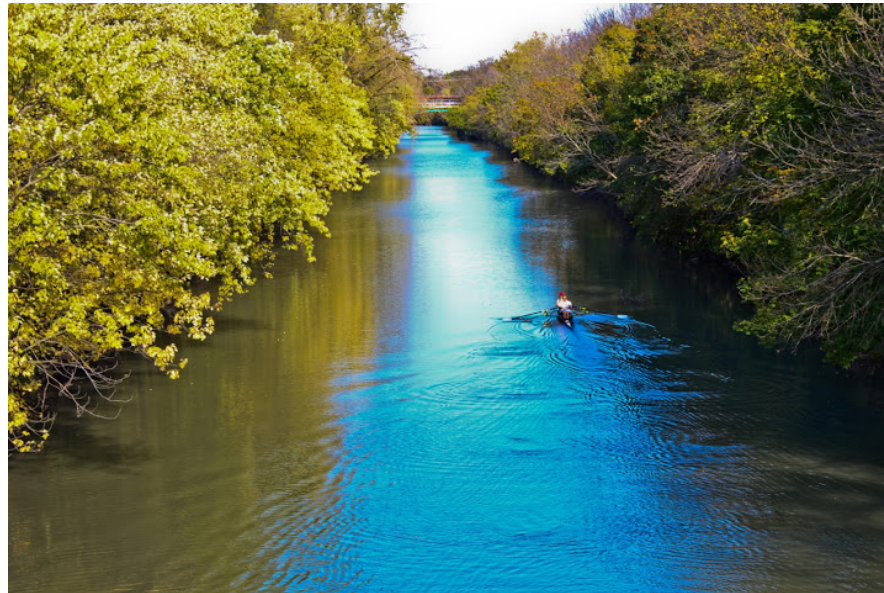


EVANSTON

FY 2018 Proposed Budget Presentation



October 16, 2017

FY 2018 BUDGET PRESENTATION

Today

- FY 2018 Budget Overview
- Budget Balancing Worksheet Proposals

Upcoming Meetings

- October 23—Council Meeting, 7 pm
- October 28, 2017 – Public Hearing, 9 am

FY 2018 ALL FUNDS OVERVIEW

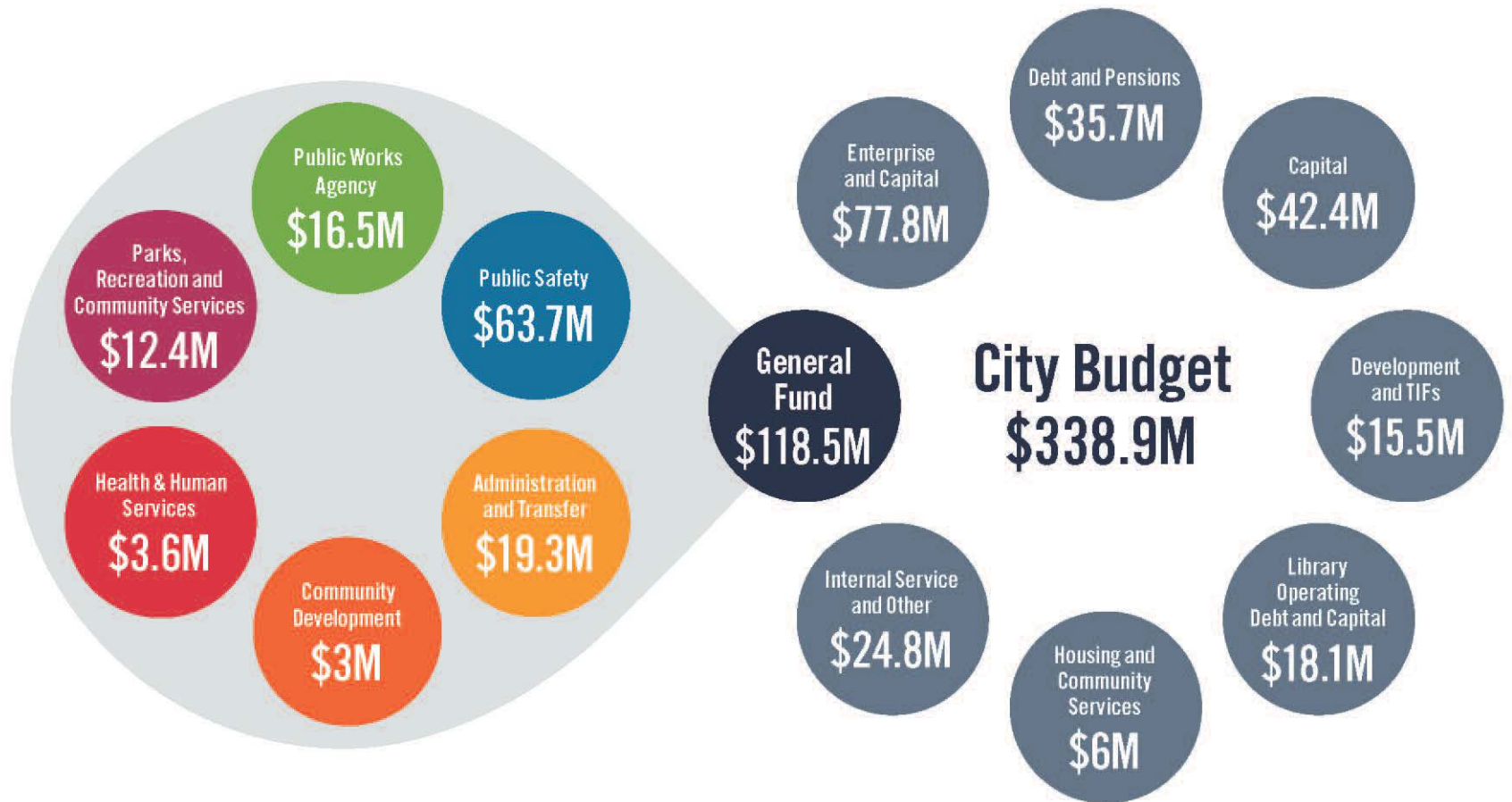
All Funds Total Budget -- \$338,888,344

- Increase over 2017 -- \$33.4M or 13.5%

Major increases:

- Library Capital-- \$6.3M increase
- TIFs-- \$4M increase
- Crown Capital-- \$9.6M increase
- Water Fund-- \$16M increase

FY 2018 ALL FUNDS OVERVIEW



FY 2018 ALL FUNDS OVERVIEW

Water Fund

- 7% increase in Water rate
- 4% decrease in Sewer rate
- Net 0% increase to customers
- Begin selling water to Morton Grove & Niles – November 2018 at earliest

FY 2018 ALL FUNDS OVERVIEW

Crown Capital Fund

- New with 2018 Budget
- Included in the Capital Improvement Plan
- Funds raised by Friends of Robert Crown to be used in 2018-2020 construction budgets

FY 2018 ALL FUNDS OVERVIEW

Parking Fund

- 2018 to include an evaluation of new Transportation and Parking Fund
- Expanded goals and resources to cover all transit and parking issues

FY 2018 PROPOSED BUDGET

GENERAL FUND BASELINE

Baseline Budget

- \$112.4M in Revenues
 - \$5.0M decrease in building permit revenue
 - 3% decrease in sales tax
 - 10% decrease in state income tax
- \$118.5M in Expenses
 - 3% general wage increase
 - All current staffing levels
- Results in \$6.1M deficit

FY 2018 PROPOSED BUDGET

GENERAL FUND BASELINE

TOTAL PROPOSED REVENUES (General Fund - baseline)	<u>\$ 112,411,186</u>
TOTAL PROPOSED EXPENDITURES (General Fund - baseline)	<u>\$ 118,508,982</u>
TOTAL PROPOSED SURPLUS/Deficit (General Fund - baseline)	<u>\$ (6,097,796)</u>

Baseline number is used throughout the 2018 Proposed Budget document.

Deficit is proposed to be solved by a number of solutions presented on page 17- 19 of the 2018 Proposed Budget document.

FY 2018 PROPOSED BUDGET

Tax Levy

- The Budget Balancing Worksheet proposes a \$421,742 property tax as noted below
 - Police Pension Levy Increase: \$225,504
 - Firefighters Pension Levy Increase: \$196,238
- \$421,742
- The City Council has also reviewed an increase of \$410,000 or 1.0% of the City's tax levy to cover Solid Waste Services for 2018.

FY 2018 ALL FUNDS OVERVIEW

Tax Levy

Impact on Individual Homeowner: For every \$100K of market value, tax levy will increase by \$4.54 for Pension Levy Increase

Impact on Individual Homeowner for Solid Waste Levy will be slightly less per \$100,000 of market value.

	10% of Market Value	Equalization Factor of 2.7455	City Tax Rate of 1.5			
Market Value of Property	Assessed Value of Property	Equalized Value of Property	2017 City Tax	2018 Projected Tax	Difference	
\$100,000	\$10,000	\$27,455	\$411.83	\$416.36	\$4.54	
\$200,000	\$20,000	\$54,910	\$823.65	\$832.71	\$9.06	
\$400,000	\$40,000	\$109,820	\$1,647.30	\$1,665.42	\$18.12	
\$600,000	\$60,000	\$164,730	\$2,470.95	\$2,498.13	\$27.18	
\$800,000	\$80,000	\$219,640	\$3,294.60	\$3,330.84	\$36.24	
\$1,000,000	\$100,000	\$274,550	\$4,118.25	\$4,163.55	\$45.30	

FY 2018 PROPOSED BUDGET

BUDGET BALANCING OPTIONS

Proposed Position Reductions

- 28.3 Full-time equivalent (FTE) reductions
- 5.5 FTE Additions
- 7.0 FTE Vacancies held open (Public Safety)
- 26.8 Net reduction in positions

4% Reductions – All Departments

FY 2018 PROPOSED BUDGET

BUDGET BALANCING OPTIONS

Proposed Reorganizations

- Merge Fleet Services and Facilities Management Divisions in Administrative Services Department
- Move Economic Development Division from City Manager's Office to Community Development Department
- Police Department Social Services Bureau responsibilities to move to Health and Human Services Department
- Merge Environmental Services and Infrastructure Maintenance Bureaus to created new Public Services Bureau in Public Works Agency

FY 2018 PROPOSED BUDGET

POSITION CHANGES - REDUCTIONS

<u>POSITION</u>	<u>DEPARTMENT</u>	<u>FUND</u>	<u>FTE</u>
REDUCTIONS:			
Senior Accountant (Vacant)	City Manager's Office	General	1
Customer Service Representative (Vacant)	City Manager's Office	General	1
Sustainability Specialist (Vacant)	City Manager's Office	Water and Sewer	1
Economic Development Specialist (Vacant)	City Manager's Office	General	1
Human Resource Specialist Training	Admin. Services	General	1
Parking Repair Worker	Admin. Services	Parking	1
Junior Mechanic (Vacant)	Admin. Services	Fleet	1
Equipment Mechanic III	Admin. Services	Fleet	1
Fleet Manager (Vacant)	Admin. Services	Fleet	0.4
Electrical Inspector / Plan Review (Vacant)	Community Development	General	1
Customer Service Representative	Community Development	General	1
Social Services Manager (Vacant)	Police	General	1
Victim Advocates	Police	General	3
Youth Advocate (0.5 Vacant)	Police	General	1.3

FY 2018 PROPOSED BUDGET

POSITION CHANGES - REDUCTIONS

Records Input Operator	Police	General	1
Training Coordinator (Vacant)	Police	General	1
Service Desk Officer/311 (Vacant)	Police	General	0.5
Secretary II	Health	General	1
Medical Director	Health	General	0.1
Festival Coordinator	PRCS	General	1
Administrative Supervisor	PRCS	General	1
Recreation Center Manager (Chandler Center)	PRCS	General	1
Recreation Center Manager (Levy Center)	PRCS	General	1
Special Projects Assistant	PWA	General	1
Parks/Forestry Worker II (Forestry)	PWA	General	1
Infrastructure Maintenance Bureau Chief	PWA	General	1
Environmental Services Bureau Chief	PWA	General	1
Equipment Operator II - Streets	PWA	General	1
TOTAL REDUCTIONS			28.3

FY 2018 PROPOSED BUDGET

POSITION CHANGES - ADDITIONS & VACANCIES

ADDITIONS:			
Videos Records Clerk (Body Cameras)	Police	General	1
Public Services Bureau Chief	PWA	General	1
Human Services Coordinator	Health	General	1
Human Services Specialists	Health	General	1.5
Chandler/Levy Center Manager	PRCS	General	1
TOTAL ADDITIONS			5.5
TOTAL NET REDUCTIONS			22.8

VACANCIES HELD:			
Police Commander	Police	General	1
Police Officer	Police	General	2
Firefighter/Paramedic	Fire	General	4
TOTAL VACANCIES			7.0

FY 2018 PROPOSED BUDGET

BUDGET BALANCING WORKSHEET REVENUES

Proposed Revenue Adjustments

Recurring Revenue Changes

Ground Transportation Tax on Rideshare Services (20 cents per ride on Uber and Lyft)	100,000
AirBnB tax	90,000
Collections Standardization - Home Rule Taxes (One time)	100,000
PRCS - 3% Boat Storage Fee, 2% Increase Rec Fees at All Facilities	80,000
Library Interfund to General Fund	20,000
Community Development Fee Rate Increase	50,000
Parking - Increase parking deck fees with increase to General Fund/\$95 to \$110 (include Sherman Plaza rooftop)	550,000
Parking - Meter hour standardization (All 9AM-6PM meters switch to 8AM-9PM) and uniformity in meter rate (\$1/hr)	450,000
Parking - Parking Meters - Expired Meter Fine Increase - from \$10-\$20	250,000
Parking - Street Cleaning Ticket (\$35 - \$40)	100,000
Parking - Increase Surface Lot Permit Rates (new fee \$60 per month)	160,000
Property Tax Increase for Police/Fire Pension - No change in investment rate of 6.5%	421,742
Health & Human Services Department Inspection Fee Increase	10,000
Washington National Transfer Increase - TIF Closes in 2018	150,000
Reduce Revenue from Assigned Fund Balances for Compensated Absences	(250,000)
Increase in Transfer from Water Fund - Administrative Costs	50,000
Increase in Transfer from Water Fund - Increase in ROI for Water Sales	50,000
TOTAL REVENUE CHANGES FOR 2018 BUDGET	\$ 2,381,742

FY 2018 PROPOSED BUDGET

BUDGET BALANCING WORKSHEET EXPENSES

General Fund Reductions by Department

<u>Council</u>	Baseline 4% Cut Amount		(19,928)
<u>Clerk</u>	Baseline 4% Cut Amount		(11,020)
<u>CMO</u>			(792,612)
	Economic Development Reduction	(400,000)	
	Seasonal Employee (Economic Development)	(15,000)	
	Add Budget for Police Management Audit	50,000	
	Duncan/Passport Annual Fee Savings	(75,000)	
	Move 50% Workforce Compliance Coordinator to Water and Sewer Funds	(49,800)	
	Move 50% Sustainability Coordinator to Water and Solid Waste funds	(60,000)	
	1 FTE - Senior Accountant (Vacant, Eliminate)	(89,490)	
	1 FTE - Customer Service Rep. (Vacant, Eliminate)	(74,042)	
	1 FTE Sustainability Specialist (billed in Water and Sewer Funds) (Vacant, Eliminate)	-	
	1 FTE - Econ Dev Specialist (Vacant, Eliminate)	(79,280)	
<u>Law</u>			(6,000)
	Legal Services - General	(14,000)	
	Court Cost/Litigation	(12,000)	
	Hourly Billing Software	20,000	

FY 2018 PROPOSED BUDGET

BUDGET BALANCING WORKSHEET EXPENSES

<u>Admin.</u>			
<u>Services</u>			(832,592)
	Unemployment Compensation and Admin. Fee - Reduce from budget of \$205,000	(63,000)	
	Move Parking Coordinator to Parking Fund	(93,858)	
	Move PEO License Plate Reader Costs to Parking Fund	(135,734)	
	1 FTE - HR Specialist Training (Eliminate)	(130,000)	
	Reduce Transfer to Fleet Services (Fuel Cost Savings)	(150,000)	
	Reduced Transfers (1 FTE Parking Repair Worker, 1 FTE Jr Mechanic (Vacant), 1 FTE Equipment Mechanic III .4 FTE Fleet Manager (Vacant) (Eliminate)	(260,000)	
<u>CD</u>			(345,875)
	1 FTE Elec. Inspector / Plan Review (Vacant, Eliminate)	(102,193)	
	1 FTE - Customer Service Representative (Eliminate)	(72,000)	
	Move Transportation & Mobility Coordinator to Parking Fund	(91,000)	
	Community Grants Program (Mental Health Board) Funding - FY17 \$767,055 to FY18 \$736,193	(30,682)	
	Move 25% of Director to Affordable Housing Fund	(50,000)	
<u>Police</u>			(671,238)
	Transfer Social Services Bureau (Reorganize to Health and Human Services Department)		
	1 FTE Social Services Manager (Vacant) 3 FTE Victim Advocate; 1.3 FTE Youth Advocate (Eliminate)	(680,000)	
	1 FTE - Records Operator Position (Eliminate)	(83,426)	
	Add 1 FTE - Videos Records Clerk (Body Cameras)	83,426	
	1 FTE - Training Coordinator (Vacant, Eliminate)	(74,742)	
	1 FTE Police Commander - (Hold vacancy, not funded)	(165,000)	
	2 FTE Police Officers - (Hold vacancies, not funded)	(255,000)	
	0.5 FTE - Service Desk Officer I 311 (Vacant, Eliminate)	(22,000)	
	2017 Police Actuarial Study Increase - Pension Cost Increase	225,504	
	Overtime - Based on 5 year historical average; Increase required	300,000	

FY 2018 PROPOSED BUDGET

BUDGET BALANCING WORKSHEET EXPENSES

Fire		(288,762)
	4 FTE Fire Suppression - Hold vacancies	(540,000)
	OT Increase	150,000
	Natural Gas	(20,000)
	Clothing	(20,000)
	Training	(20,000)
	Furniture and fixtures	(35,000)
	2017 Fire Actuarial Study Increase - Pension Cost Increase	196,238
Health		125,421
	Move 25% of Director to General Assistance	(55,079)
	Add 3 PT & 1 Full-Time Human Services Specialists (From Police Social Services Bureau)	280,000
	1 FTE - Secretary II (Eliminate)	(80,000)
	.10 FTE - Medical Director (Eliminate)	(19,500)
PRCS		(352,372)
	Seasonal Employee	(14,148)
	1 FTE - Festival Coordinator (Eliminate)	(70,000)
	1 FTE - Administrative Supervisor (Eliminate)	(105,800)
	1 FTE - Recreation Center Manager (Chandler Center) (Eliminate)	(142,889)
	1 FTE - Recreation Center Manager (Levy Center) (Eliminate)	(122,735)
	Move 50% Workforce Compliance Coordinator to Water and Sewer Funds	(49,800)
	Add 1 FTE - Combined Chandler/Levy Center Manager	128,000
	Increase class outreach efforts	25,000



FY 2018 PROPOSED BUDGET

BUDGET BALANCING WORKSHEET EXPENSES

PWA		(1,495,934)
	Move Seasonal Employees to Solid Waste	(21,000)
	Reduce Seasonal Employees	(14,000)
	Reduce Police OT for Snow Event	(75,000)
	Reduce PW crew OT for snow event	(68,500)
	Reduce Salt	(53,100)
	Move PW Crew Leader Salary to Solid Waste Fund	(97,074)
	Engineering Salary Redistribution	
	Move 4.5 FTE to Capital Fund, Eliminate \$500,00 transfer from Capital to General Fund	(85,527)
	Move 0.75 FTE to Sewer Fund (Currently 1; proposed increase to 1.75 FTE)	(51,760)
	Move 1 FTE to Parking Fund	(144,683)
	Move 0.5 FTE to Special Assessment Fund	(71,790)
	1 FTE Special Projects Assistant (Eliminate)	(88,000)
	1 FTE Parks/Forestry Worker II Forestry (Vacant, Eliminate)	(75,000)
	2 FTE Bureau Chiefs (Eliminate)	(340,000)
	Add 1 FTE - Public Services Bureau Chief, Move Expenses to Other Funds	170,000
	Move 25% of New Public Services Bureau Chief to Solid Waste Fund	(42,500)
	1 FTE Equipment Operator II - Streets (Vacant, Eliminate)	(88,000)
	Decrease Solid Waste Fund Transfer Over Three Years - Year 1 decrease	(350,000)
TOTAL RECURRING EXPENSE CHANGES		\$ (4,690,912)

FY 2018 PROPOSED BUDGET

BUDGET BALANCING WORKSHEET EXPENSES

One-time expense changes

General Fund transfer to Insurance Fund for Solid Waste Fund Claims Settlement (2018, 2019, 2020)	400,000
Credit Card Merchant Procurement Change Savings - City-wide	(50,000)
Reduction in Health Insurance Cost for Part-time Employees	(100,000)
3 Furlough Days	(360,000)
Labor Day (City is already closed)	
Presidents Day Furlough (City is open and would close)	
Monday, December 31 Furlough (City is open and would close)	
Budget All Salaries at 99.5%	(278,000)
Increase Transfer to Insurance Fund	700,000
TOTAL ONE-TIME EXPENSE CHANGES	\$ 312,000
TOTAL EXPENSE CHANGES FOR 2018 BUDGET	\$ (4,378,912)

FY 2018 PROPOSED BUDGET

BUDGET BALANCING WORKSHEET TOTALS

TOTAL PROPOSED REVENUES (General Fund - baseline)	<u>\$ 112,411,186</u>
TOTAL PROPOSED EXPENDITURES (General Fund - baseline)	<u>\$ 118,508,982</u>
TOTAL PROPOSED SURPLUS/Deficit (General Fund - baseline)	<u>\$ (6,097,796)</u>
Above-the-line BBWS PROPOSED REVENUE ADJUSTMENTS (detailed above)	\$ 2,381,742
Above-the-line BBWS PROPOSED EXPENSE ADJUSTMENTS (detailed above)	\$ (4,378,912)
TOTAL REVISED PROPOSED REVENUES (General Fund)	<u>\$ 114,792,928</u>
TOTAL REVISED PROPOSED EXPENSES (General Fund)	<u>\$ 114,130,070</u>
PROPOSED 2018 BUDGET SURPLUS (DEFICIT)	<u>\$ 662,858</u>

FY 2018 PROPOSED BUDGET

NEXT STEPS

Capital Improvements Plan – October 23, 2017 - 7 pm

- Several major projects for 2018
- Debt exceeds current debt limit of \$113M

Public hearing – October 28, 2017 – 9 am

- Proposed budget hearing
- Truth in Taxation Hearing – 2017 Tax Levy

FY 2018 PROPOSED BUDGET

CAPITAL IMPROVEMENTS PLAN

Total 2018 Proposed CIP: \$84.2 Million

Source of Increase from 2017 CIP

- Crown Center Project – \$9.6M
- Water Fund – \$16M
- Main Library Renovation – \$6.3M

FY 2018 PROPOSED BUDGET

CAPITAL IMPROVEMENTS PLAN

CAPITAL IMPROVEMENT PLAN		2017 Adopted	2018 Proposed	%
	Street Resurfacing, Water Main, Sewer Projects	19,545,800	29,273,330	34.74%
	Other Transportation	10,048,231	4,849,000	5.75%
	Parks	6,675,000	5,465,307	6.49%
	Facilities	8,379,000	17,919,811	21.26%
	Miscellaneous	1,650,000	2,032,398	2.41%
	Water Treatment, Storage and Billing	7,780,000	14,640,000	17.37%
	Library	4,174,500	10,095,000	11.98%
TOTAL CITY PROJECTS		\$ 54,078,031	\$ 84,274,846	100%

2018 BUDGET CALENDAR

DATE	TIME	ACTIVITY
Monday, July 10, 2017	7PM*	Mid-Year 2017 Budget Review
Monday, July 24, 2017	7PM*	2017 end of year and 2018 baseline discussion
Wednesday, September 13, 2017	7PM - 9PM in G300	Multi-media Budget Outreach Event
Friday October 6, 2017	5PM	Proposed 2018 Budget to City Council
Monday, October 16, 2017	7PM	2018 Budget Discussion
Monday, October 23, 2017	7PM*	2018 Budget Discussion
Saturday, October 28, 2017	9AM - 1PM	Special City Council meeting Public Hearing-- Truth in Taxation Public Hearing-- FY 2018 Proposed Budget Preliminary Tax Levy Estimate
Monday, November 6, 2017	7PM	2018 Budget Discussion (if needed)
Monday, November 27, 2017	7PM*	2018 Budget & 2017 Tax Levy Adoption

*meeting times are approximate

FY 2018 PROPOSED BUDGET QUESTIONS

