



# Memorandum

To: Honorable Mayor and Members of the City Council  
From: Hitesh Desai, Chief Financial Officer  
CC: Kate Lewis-Lakin, Budget Coordinator  
Subject: Ordinance 149-O-19, Approval of Fiscal Year 2020 Budget  
Date: November 25, 2019

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Recommended Action:

Staff recommends City Council adoption of Ordinance 149-O-19, approving the Fiscal Year 2020 Budget of the City of Evanston in the amount of \$320,709,227.

Funding Source:

The budget is funded through a variety of revenue sources, including property taxes.

Council Action:

For Action

Summary:

The 2020-21 Proposed Budget was published on October 4, 2019. The document included a Budget Balancing Worksheet, which included changes to the 2020 Proposed budget. City Council has discussed these items at City Council meetings on October 14, 26, and November 11. With all budget balancing changes implemented, the 2020 Budget as presented for adoption in ordinance 149-O-19 is \$320,709,227.

**2020 Adopted Budget Changes**

An updated Budget Balancing Worksheet is attached, which shows the final proposed budget for the General Fund. Lines changed since the Proposed Budget are highlighted. These include:

- Removed proposed self-storage user fee, per Council direction.
- Reduction to parking ticket revenue as a result of ending Sunday parking meter enforcement.
- Holding 4 police officers positions vacant, which is consistent with practice since 2017. Original proposal for 2020 was 3 vacant positions.
- New revenue from Welsh-Ryan Arena events - increase of \$200,000 in athletic and amusement tax revenue. This is a conservative estimate dependent on the final events approved and ticket prices.

- Increased contributions to Police and Fire pension funds were added to the worksheet. These were shown in the pension funds and property tax levy in the Proposed Budget, but governmental accounting standards requires that the pension levies and contributions are also shown in the General Fund in the Adopted Budget.
- Reduction in expenses in the Human Services Division in the Human Services Fund by \$100,000. This is achieved by holding vacant 1 of the 2.5 new positions proposed to be added in 2020. This position may be funded in 2021 depending on the success of program consolidation
- Move \$250,000 in recreational cannabis tax revenue to the Reparations Fund.

The following changes to other funds were also made in order to implement the Budget Balancing Worksheet items.

- Creation of Reparations Fund, with \$250,000 in revenue budgeted from recreational cannabis tax and \$250,000 in budgeted expenses.
- Decrease in revenue in the Parking Fund of \$260,000 due to elimination of Sunday parking meters.
- Increase in expenses in the Motor Fuel Tax (MFT) Fund 200 to reflect moving qualified expenses from the General Fund. The MFT Fund is receiving increased revenue in 2020 from the higher state gasoline tax.
- Increase in expenses in Emergency Telephone (E911) Fund 205 to reflect an increase in the transfer to the General Fund.
- Increase in revenue and expenses in the Equipment Replacement Fund 601 to reflect an increase in the transfer from the General Fund.

The total proposed budget by fund is shown in the attachment, with the changes to each fund. The total 2020 budget for adoption is \$320,643,851.

Changes to taxes and fees that are included on the Budget Balancing Worksheet will also be introduced at the November 18, 2019 City Council meeting.

### **FY 2021 Projected Budget**

The FY 2021 total Projected Budget is \$303,560,900. This includes implementation of all changes included in the FY 2020 budget balancing worksheet. The decrease in expenses of \$17 million is due primarily to the completion of construction on the new Robert Crown Center and certain projects at the water treatment plant, plus the expiration of the Good Neighbor Fund agreement with Northwestern University.

The FY 2021 projected expenses for the General Fund are \$119,321,742. This is an increase of approximately \$2 million from the 2020 adopted budget, due to contractually obligated wage increases. The 2021 projected net deficit in the General Fund is \$657,550. This is before budgeting for a contribution to fund balance. Having a 2021 projection allows staff to present solutions for balancing the budget earlier in the year. These include negotiating a new Good Neighbor Agreement with Northwestern University and implementing the Ground Emergency Medical Transport (GEMT) supplemental funding program to increase reimbursement for Medicaid patient transports. Staff plans to make adjustments to these projections during 2020 based on actual expenses and revenues and any new solutions proposed during the year. The FY 2021 budget and tax levies will then be proposed and adopted in fall 2020.

Legislative History:

The City held a Public Hearing on the 2020 Proposed Budget on October 26, 2019 in accordance with Illinois state municipal law. A separate Truth in Taxation hearing on the 2019 proposed property tax levies was held on October 28, 2019. Both hearings were properly noticed in accordance with Illinois state municipal law.

Attachments:

[2020 BBWS FOR ADOPTION](#)

[2020-21 All Funds Budget](#)

[149-O-19 2020 Budget Ordinance 10.29](#)

## Proposed 2020 Budget Balancing Worksheet

<u>General Fund Summary</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
<b>Proposed General Fund (includes sales tax increase)</b>	\$118,076,525	\$117,970,285	<b>\$106,240</b>
Proposed General Fund Changes (detail below)	\$744,033	-\$769,793	
<b>Adopted General Fund Budget</b>	<b>\$118,820,558</b>	<b>\$117,200,492</b>	<b>\$1,620,066</b>
Contribution to general fund balance		1,500,000	\$120,066
<b><u>Proposed General Fund Changes</u></b>	<b><u>Revenues</u></b>	<b><u>Expenses</u></b>	
<b>Health &amp; Human Services</b>			
Move consolidated Social Services to Human Services Fund	(193,000)	(2,287,258)	
Remove transfer to Human Services Fund		(828,471)	
Decrease to General Fund Tax Levy	(2,350,003)		
<b>Community Development</b>			
Amusement tax increase (4% to 5%)	75,000		
Self Storage user fee (5%)			
Electronic plan review and self-service permitting software		150,000	
<b>Administrative Services</b>			
Disaster recovery software		50,000	
New administrative adjudication software		10,000	
Long-term financial forecasting software		40,000	
Increase transfers to Equipment Replacement Fund		200,000	
Parking fine standardization and realignment	75,000		
Reduction to Parking Tickets (end Sunday enforcement)	(15,000)		
<b>Police Department</b>			
Increase to Police Pension contribution	762,946	762,946	
Increase Police Department overtime budget		500,000	
Increase revenue for overtime reimbursements	400,000		
Administrative Towing Fee	50,000		
Increase expenses for Police Payouts (per union contracts)		400,000	
Hold 4 Police Officer positions vacant (as in 2017-2019)		(320,000)	
Elimination of Records Manager position (vacant)		(118,000)	
Reclass Assistant Records Manager to Records Coordinator		10,000	
Hold 1 Commander position vacant (retirement Nov. 2019)		(166,000)	
Increase reimbursement for telecommunicators from E911 Fund	200,000		
<b>Fire Department</b>			
Increase to Fire Pension contribution	902,090	902,090	
Hold 2 Firefighter positions vacant		(156,500)	
Increase Fire Department overtime budget		100,000	
Emergency incident cost recovery (insurance billing only)	75,000		
<b>Parks, Recreation and Community Services</b>			
Increase seasonal employee budgets for state minimum wage		125,000	
<b>Public Works Agency</b>			
Triannual elm tree inoculation		550,000	
Use of elm tree inoculation reserve funds	500,000		
Move expenses to Motor Fuel Tax Fund		(858,600)	
Increase transfer from Motor Fuel Tax Fund	62,000		
<b>City-Wide Changes</b>			
Exempt employee merit increases and compression adjustments		165,000	
Tax revenue from Welsh-Ryan Arena Events (Athletic and Amusement tax)	200,000		
Recreational Cannabis Tax (3%)			
<b>Total General Fund Proposed Changes</b>	<b>\$744,033</b>	<b>-\$769,793</b>	

<b>Human Services Fund</b>	<b>Revenues</b>	<b>Expenses</b>
Human Services Grant Revenue	93,000	
Transfer from Library Fund	70,000	
Transfer from Good Neighbor Fund (supporting Youth Services)	100,000	
New Human Services Tax Levy	3,110,000	
Mental Health Board Distribution		736,373
<b>Human Services Division (Hold 1 of 2.5 new positions vacant in 2020)</b>		<b>1,150,052</b>
Youth and Young Adult Division		1,481,324
<b>Total Proposed Human Services Fund</b>	<b>\$3,373,000</b>	<b>\$3,367,749</b>

<b>Reparations Fund</b>	<b>Revenues</b>	<b>Expenses</b>
Recreational Cannabis Tax (3%)	250,000	
Reparations Program Expenses		\$250,000
<b>Total Proposed Reparations Fund</b>	<b>\$250,000</b>	<b>\$250,000</b>

**City of Evanston  
FY 2020 Budget**

Fund Name	Fund #	2020 Proposed Expenses	BBWS Adjustments	2020 Adopted Expenses	2021 Projected Expenses
General	100	117,970,285	(769,793)	117,200,492	119,321,742
General Assistance	175	1,315,848	-	1,315,848	1,333,985
Health and Human Services	176	887,706	2,480,043	3,367,749	3,510,106
Reparations Fund	177	-	250,000	250,000	250,000
Good Neighbor Fund	180	1,000,000	-	1,000,000	-
Library Fund	185	8,472,778	-	8,472,778	8,631,456
Library - Debt Service	186	480,144	-	480,144	482,243
Library - Capital	187	543,000	-	543,000	449,000
Motor Fuel	200	2,432,987	1,052,000	3,484,987	3,484,987
Emergency Telephone	205	1,621,374	200,000	1,821,374	1,604,522
Special Service Area # 4	210	592,665	-	592,665	592,665
CDBG	215	1,963,875	-	1,963,875	2,030,400
CDBG Loan	220	175,000	-	175,000	175,000
HOME	240	659,678	-	659,678	604,799
Affordable Housing Fund	250	1,713,366	-	1,713,366	1,297,741
Debt Service	320	15,840,981	-	15,840,981	15,836,877
Howard-Ridge TIF	330	541,113	-	541,113	507,813
West Evanston TIF	335	740,000	-	740,000	740,000
Dempster-Dodge TIF	340	167,870	-	167,870	165,923
Chicago-Main TIF	345	753,820	-	753,820	4,626,053
Special Service Area #6	350	221,500	-	221,500	221,500
Special Service Area #7	355	154,600	-	154,600	154,600
Special Service Area #8	360	60,200	-	60,200	60,200
Capital Improvement	415	17,051,881	-	17,051,881	13,741,809
Crown Construction	416	8,330,000	-	8,330,000	-
Crown Center Maintenance	417	-	-	-	-
Special Assessment	420	957,930	-	957,930	989,314
Parking	505	13,362,194	-	13,362,194	11,689,371
Water	510	50,147,012	-	50,147,012	42,723,921
Sewer	515	14,717,225	-	14,717,225	12,833,885
Solid Waste	520	5,837,705	-	5,837,705	5,861,769
Fleet	600	3,161,051	-	3,161,051	3,190,072
Equipment Replacement	601	2,460,000	200,000	2,660,000	2,000,000
Insurance	605	19,437,285	-	19,437,284	19,748,949
Fire Pension	700	10,076,897	-	10,076,897	10,580,762
Police Pension	705	13,449,007	-	13,449,007	14,119,436
<b>Total All Funds</b>		<b>\$ 317,296,977</b>	<b>\$ 3,412,250</b>	<b>\$ 320,709,227</b>	<b>\$ 303,560,900</b>

**149-O-19**

**AN ORDINANCE**

**Approving the 2020 Fiscal Year  
Budget of the City of Evanston**

**WHEREAS**, 65 ILCS 5/8-2-9.1 *et seq.* and Title 1, Chapter 8 of the City Code, 2012, as amended, requires the City Manager to submit to the City Council a proposed budget for the ensuing fiscal year that presents a complete budget for revenues and expenditures plan for each fund; and

**WHEREAS**, in accordance with legal requirements, the City Manager submitted the proposed budget for the 2020 fiscal year to the City Council for its review and the required hearings on said budget were conducted and properly noticed under the Illinois Open Meetings Act, 5 ILCS 120/1 *et seq.*; and

**WHEREAS**, the City Council has reviewed the proposed budget, with a total expenditure amount of three hundred and twenty million, seven hundred and nine thousand, and two hundred and twenty-seven dollars (\$320,709,227),

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:**

**SECTION 1:** The foregoing recitals hereby found as fact and incorporated herein by reference.

**SECTION 2:** That the City Council hereby adopts the City of Evanston's 2020 fiscal year budget, with a total expenditure amount of three hundred and twenty million, seven hundred and nine thousand, and two hundred and twenty-seven dollars (\$320,709,227), summarized in the document attached hereto as Exhibit A and

incorporated herein by reference, and hereby directs the City Manager to implement said budget.

**SECTION 3:** That this Resolution 149-O-19 shall be in full force and effect from and after its passage and approval in the manner provided by law.

\_\_\_\_\_  
Stephen H. Hagerty, Mayor

Approved as to form:

Attest:

\_\_\_\_\_  
Devon Reid, City Clerk

\_\_\_\_\_  
Michelle L. Masoncup, Corporation Counsel

Adopted: \_\_\_\_\_, 2018



## EXHIBIT A

### City of Evanston – Fiscal Year 2020 Adopted Budget Summary

Fund Name	Fund #	2020 Adopted Expenses
General	100	117,200,492
General Assistance	175	1,315,848
Health and Human Services	176	3,367,749
Reparations Fund	177	250,000
Good Neighbor Fund	180	1,000,000
Library Fund	185	8,472,778
Library - Debt Service	186	480,144
Library - Capital	187	543,000
Motor Fuel	200	3,484,987
Emergency Telephone	205	1,821,374
Special Service Area # 4	210	592,665
CDBG	215	1,963,875
CDBG Loan	220	175,000
HOME	240	659,678
Affordable Housing Fund	250	1,713,366
Debt Service	320	15,840,981
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Special Service Area #6	350	221,500
Special Service Area #7	355	154,600
Special Service Area #8	360	60,200
Capital Improvement	415	17,051,881
Crown Construction	416	8,330,000
Crown Center Maintenance	417	-
Special Assessment	420	957,930
Parking	505	13,362,194
Water	510	50,147,012
Sewer	515	14,717,225
Solid Waste	520	5,837,705
Fleet	600	3,161,051
Equipment Replacement	601	2,660,000
Insurance	605	19,437,284
Fire Pension	700	10,076,897
Police Pension	705	13,449,007
<b>Total All Funds</b>	<b>\$</b>	<b>320,709,227</b>