

# 2026 Solid Waste Fund

*Planning for New Rates and Financial Independence*



October 2025



City of  
Evanston™

City Manager's Office

# Current State of Solid Waste Fund

- Fund is in a Structural Deficit
- Fund has been asked to be decreased its Property Tax Levy for 2025 and 2026
- New Residential Contracted Rates that need commensurate rate increases to account for new costs
- AFSCME Labor Contracts end in 2026; Could impact COE Service Costs

# Goals for Solid Waste Fund

- Fix Structural Deficit
  - The Fund's Net Operating Income has been negative in every year since it was created in 2011.
  - It received property tax or General Fund subsidy every year since 2012. The subsidy has averaged \$1 million per year.
- Become self sufficient enterprise fund (no property tax levy)
  - Has accounted for roughly **18%** of revenue
  - Currently only enterprise fund that is relying on any subsidy
- Keep Fund Balance Near Stated Financial Policy of 16.6% of Expenses
  - The balance is currently high due to unbudgeted one-time savings: under budget SWANCC capital costs; delayed vehicle deliveries; staff vacancies

# Considerations

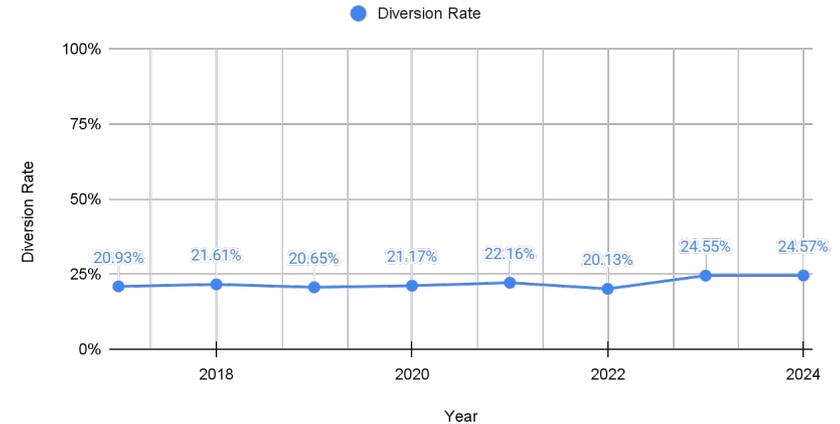
- **CARP Goals**

- City has climate actions goals that staff are working to build more services through contracted agreements and programs to push towards goal
- 50% diversion 2030 eventually to zero waste by 2040 (at ~25% now)

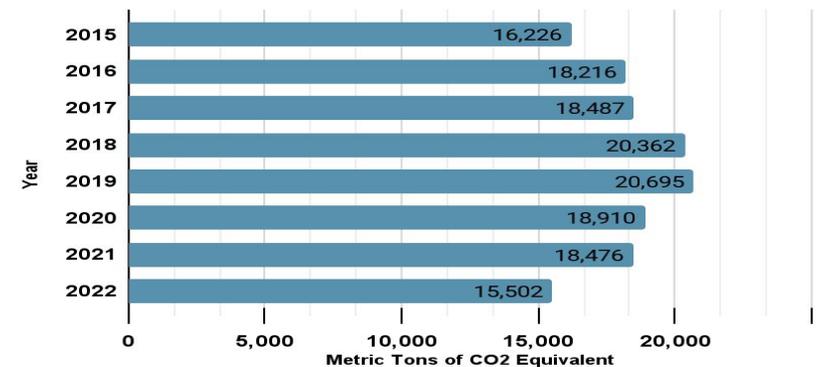
- **New Contracted Residential Rates**

- Competitive RFP process from March-July
- First contracts post pandemic are starting to end
- Noted from haulers increases in labor contracts through their collective bargaining are some of the reasons for increased rates of service
- Inflation and Tariffs also potentially playing some factors

Diversion Rate per Year (2017-2024)

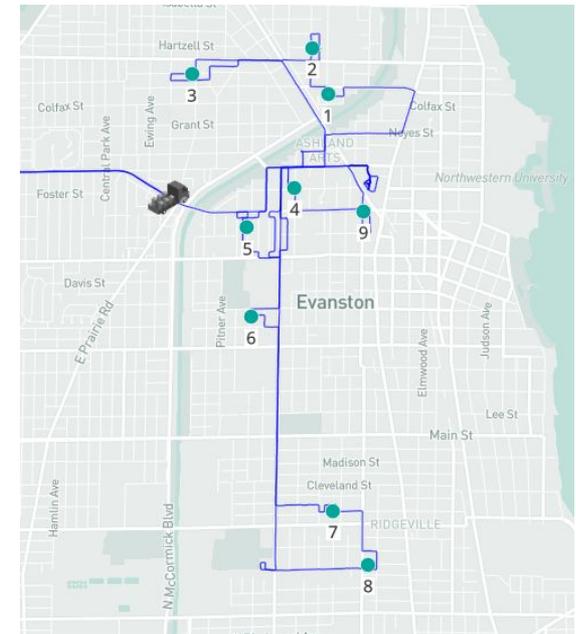


Greenhouse Gas Emissions from Landfill Waste (2015-22)



# 2026 Proposed Changes

- **Food & Yard Waste Services Restructure**
  - Transition to a year-round opt-out program to promote food waste diversion.
  - Monthly expense will increase to \$7.00/month (from \$4.50/month), reflecting a new hauler rate of \$11.50/month.
  - Sticker revenue and fees (increasing to \$2.50) will be managed by a third-party hauler.
- **Special Pickups/Bulk**
  - Eliminate free bulk service, moving to a "Special Pickup only" program.
  - Residential and condo customers will incur a monthly fee based on the number of units, allowing for scheduled pickups of additional items via PWA. (\$1/unit/month)
  - Additional fees will apply for unscheduled pickups or exceeding the 3-yard limit.
  - This change will reduce the burden of fly dumping and streamline customer charging.



Example of Pickup Efficiency with Scheduling

# Proposed Changes

- **Introduce 35-Gallon Cart & Adjust 65-Gallon Cart Pricing**
  - The new 35-gallon service will be priced at the current 65-gallon cart rate.
  - Both the 35-gallon and 65-gallon carts are currently undervalued compared to 95-gallon carts, particularly with the new contracted collection rate of \$11.68.
  
- **Eliminate Additional Cart Purchases**
  - Cart prices will now cover initial maintenance and procurement.
  - This change removes the upfront cost barrier for participation in programs like food and yard waste (previously a \$95.34 charge).
  - Eliminates the need to track and assess warranty or purchase information for existing carts, allowing for more efficient container repair.

	Refuse Contract	Refuse Disposal	Recycling Contract	Total (per month)	Difference
<b>Avg Cost</b>	\$12.00	\$4.00	\$10.00	\$26.00	-
<b>65G</b>		-		\$11.93	-46%
<b>95G</b>		-		\$26.95	+3%

# 2026 Proposed Budget Overview

## *Ward Meetings*



October 2025

# Evanston 2026 Budget Presentation Topics

- **Annual Budget Process**
- **Budget Structure**
- **Overall Budget**
- **General Fund Budget**
- **Property Taxes**
- **Fee Increases**
- **Other Funds and Initiatives**

# 2026 Proposed Budget – Calendar

- **May 2025:** Staff meet with elected officials to discuss FY 2026 budget.
- **May - October 2025:** Staff work with departments to draft FY 2026 budget.
- **September 2025:** Staff meet with elected officials to discuss FY 2026 budget.
- **Monday, October 6:** 2026 Proposed Budget available on City Website
- **Monday, October 13:** Budget Discussion at City Council
- **Monday, October 27:** Budget Public Hearing at City Council
- **October - November:** Budget Ward Meetings
- **Monday, November 3:** Truth in Taxation Hearing at City Council
- **Monday, November 10:** Budget Discussion & Introduction of Tax Levy Ordinances
- **Monday, November 24:** Target Adoption of 2026 Budget by City Council
- **Late December:** Tax Levy Filing Deadline

# Annual Budget Process



# Budget Structure

## Funds and Departments

- **Funds** - The largest financial unit of the budget
  - i.e. General Fund, Sewer Fund, Reparations Fund
  - 41 Funds as of FY 2025
  - 3-digit number in Evanston GL
- **Departments** - Functional Unit of Government
  - i.e. Police Department, Parks and Recreation
  - 11 Departments as of FY 2025 (incl. Library)
  - 2-digit number in Evanston GL

# City of Evanston Budget Structure - Types of Funds

- **Government Funds**: Account for activity traditionally associated with local government operations, which are not required to be accounted for in other types of funds.

General #100	Parks and Recreation #130	Human Services #176
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- **Component Unit Funds**: Account for activity associated with legally separate organizations for which the City's elected officials are financially accountable.

Library #185	Library Debt Service #186	Library Capital Improvement #187
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- **Special Revenue Funds**: Account for activities associated with specific funding sources that go towards specific purposes.

ARPA #170	General Assistance #175	Reparations #177	Sustainability #178
Good Neighbor #180	Motor Fuel Tax #200	Emergency 911 #205	Foreign Fire Insurance #206
CDBG #215	CDBG Loan #220	PRO Housing #230	HOME #240
Affordable Housing #250			

- **Capital Project Funds**: Account for activity associated with major infrastructure projects (roads, parks, facilities).

Capital Improvements #415	Crown Construction #416	Crown Maintenance #417	Special Assessment #420
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# City of Evanston Budget Structure - Types of Funds

- **TIF and SSA Funds:** Accounts for activities that use funds from Tax Increment Financing (TIF) and Special Service Area (SSA) districts. These districts are a financial tools that promote economic development and capital investment in a specific area.

Howard-Ridge TIF #330	West Evanston TIF #335	Dempster-Dodge TIF #340	Chicago-Main TIF #345
Five-Fifths TIF #365	SSA6 #350	SSA7 #355	SSA8 #360
SSA9 #210	SSA10 #361		

- **Enterprise Funds:** Account for activities related to self-supporting services, such as utilities, that are financed primarily through user fees rather than general taxes.

Parking System #505	Water #510	Sewer #515	Solid Waste #520
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- **Internal Service Funds:** Account for citywide activities across all funds and operations. These are supported by transfers from other funds to consolidate specific costs.

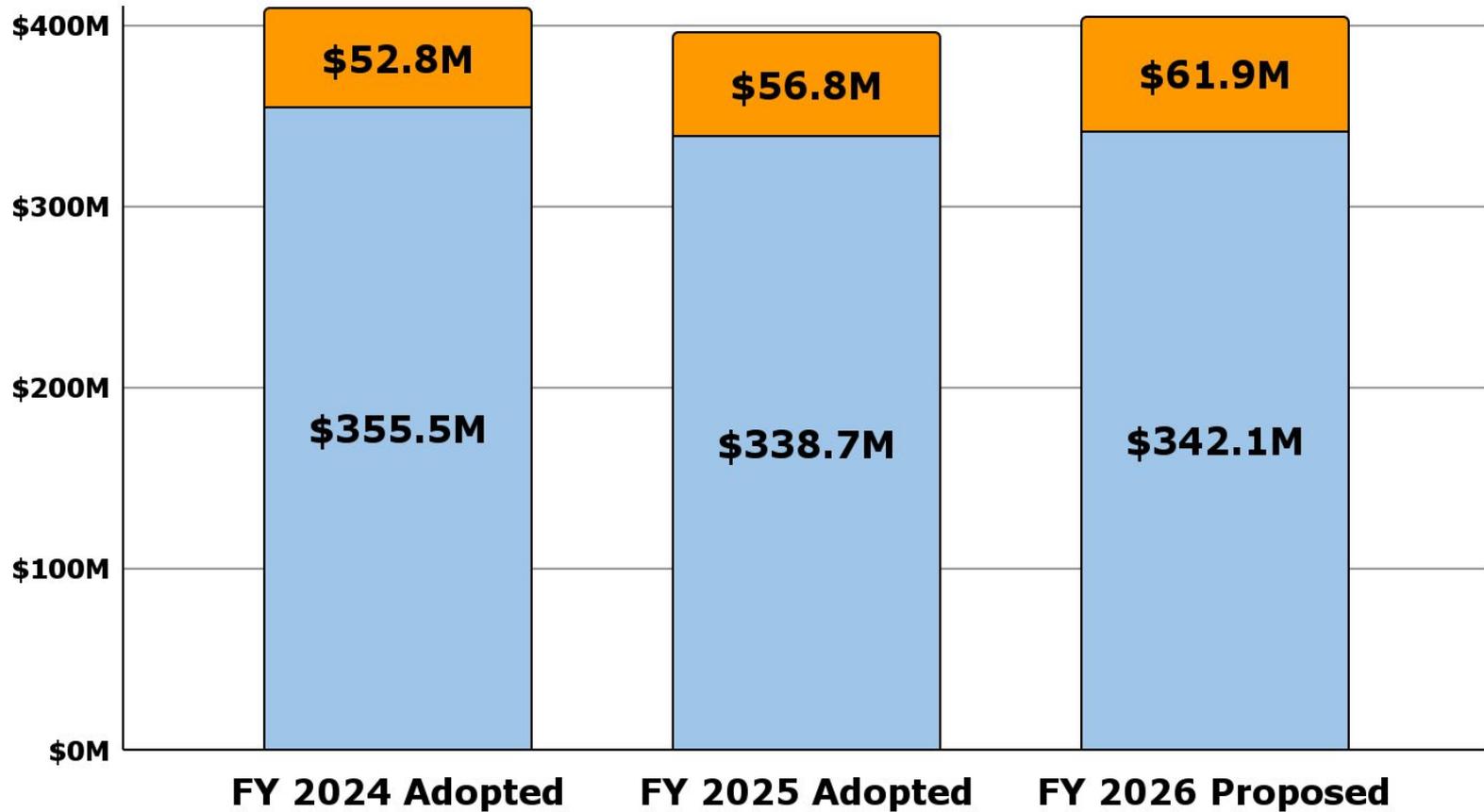
Fleet Services #600	Equipment Replacement #601	Insurance #605
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- **Debt Service Fund:** Account for payment of the principal, interest, and other fees on long-term debt (such as bonds).

Debt Service #320
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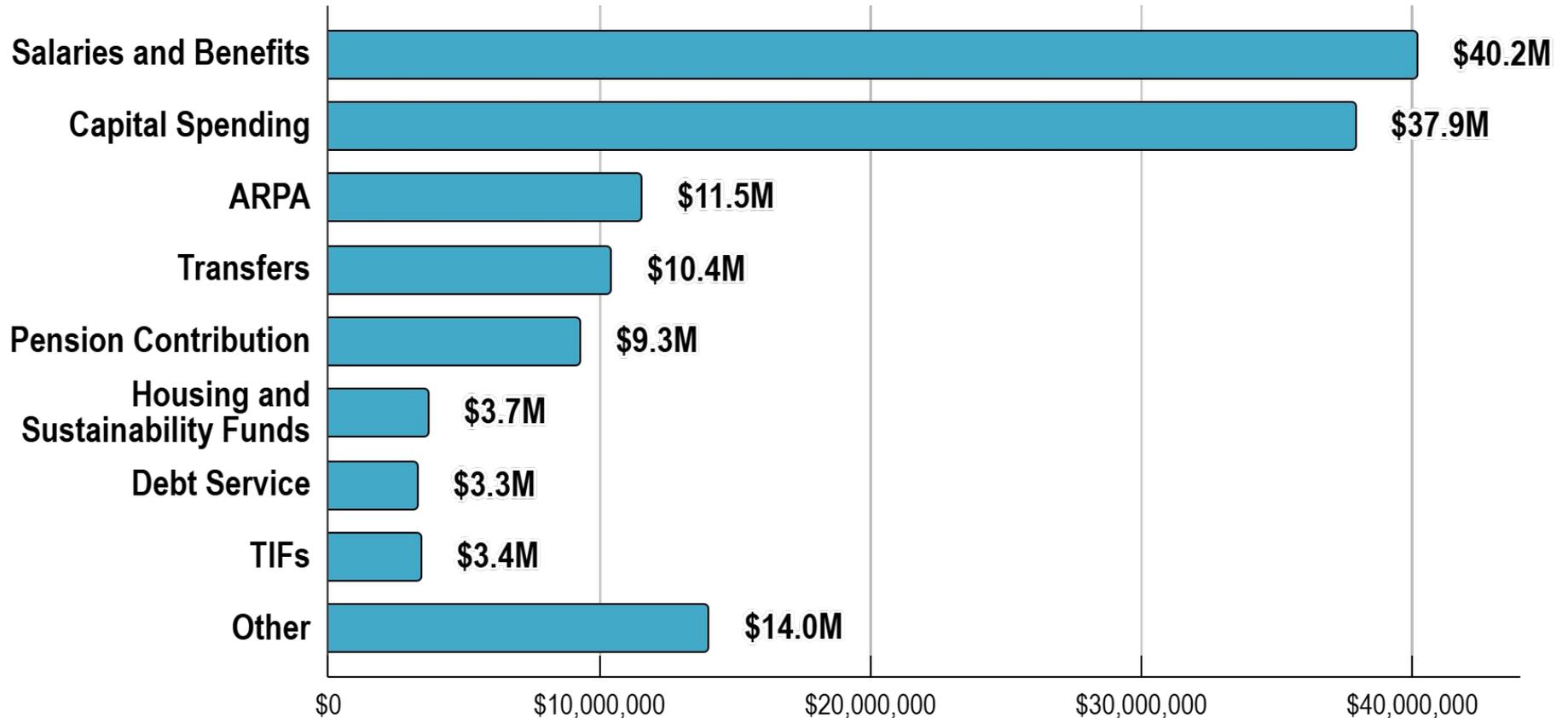
# Overall Budget - Expenses

■ Fund Transfers ■ Operating Expenses

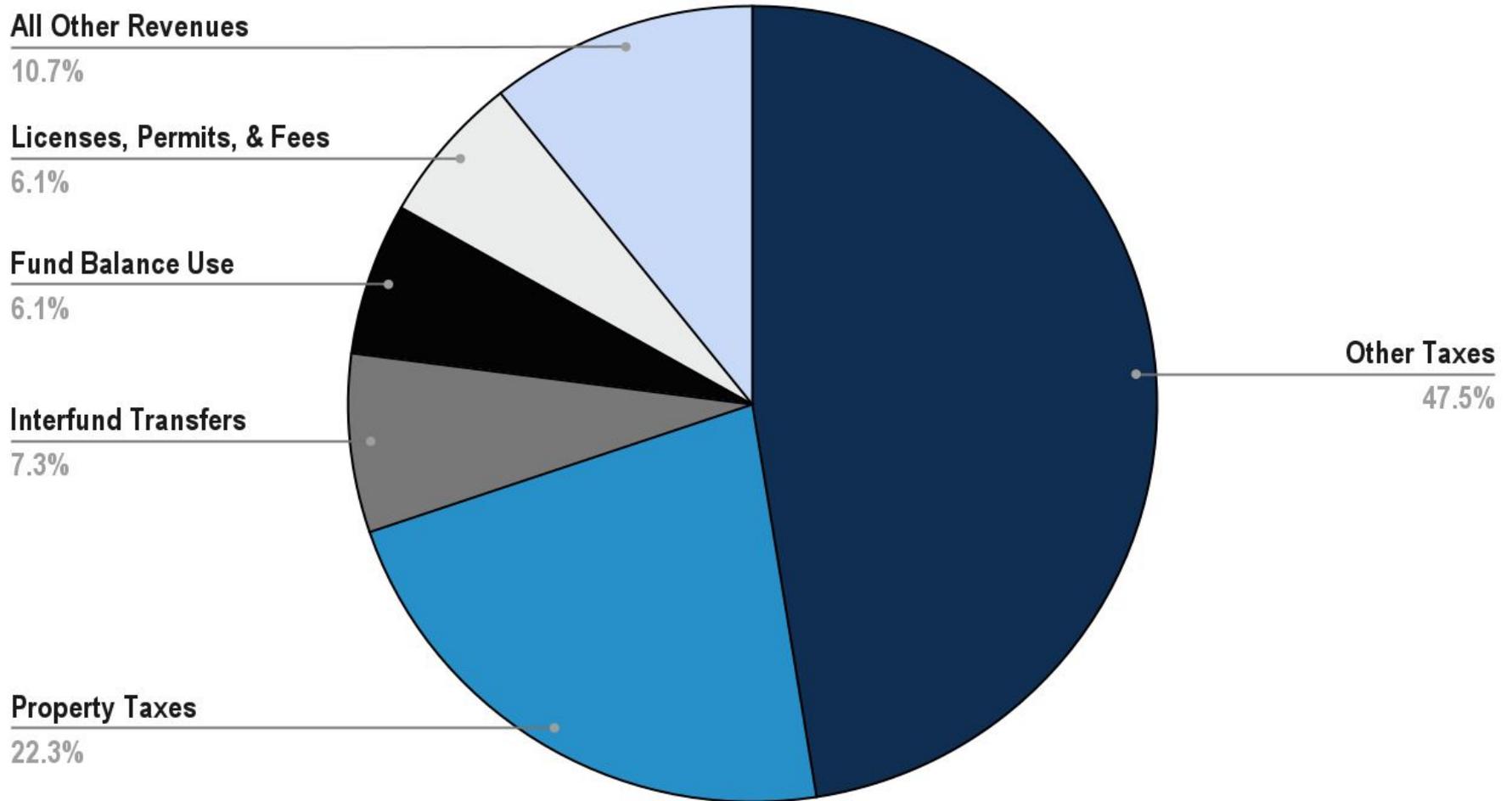


# Overall Budget

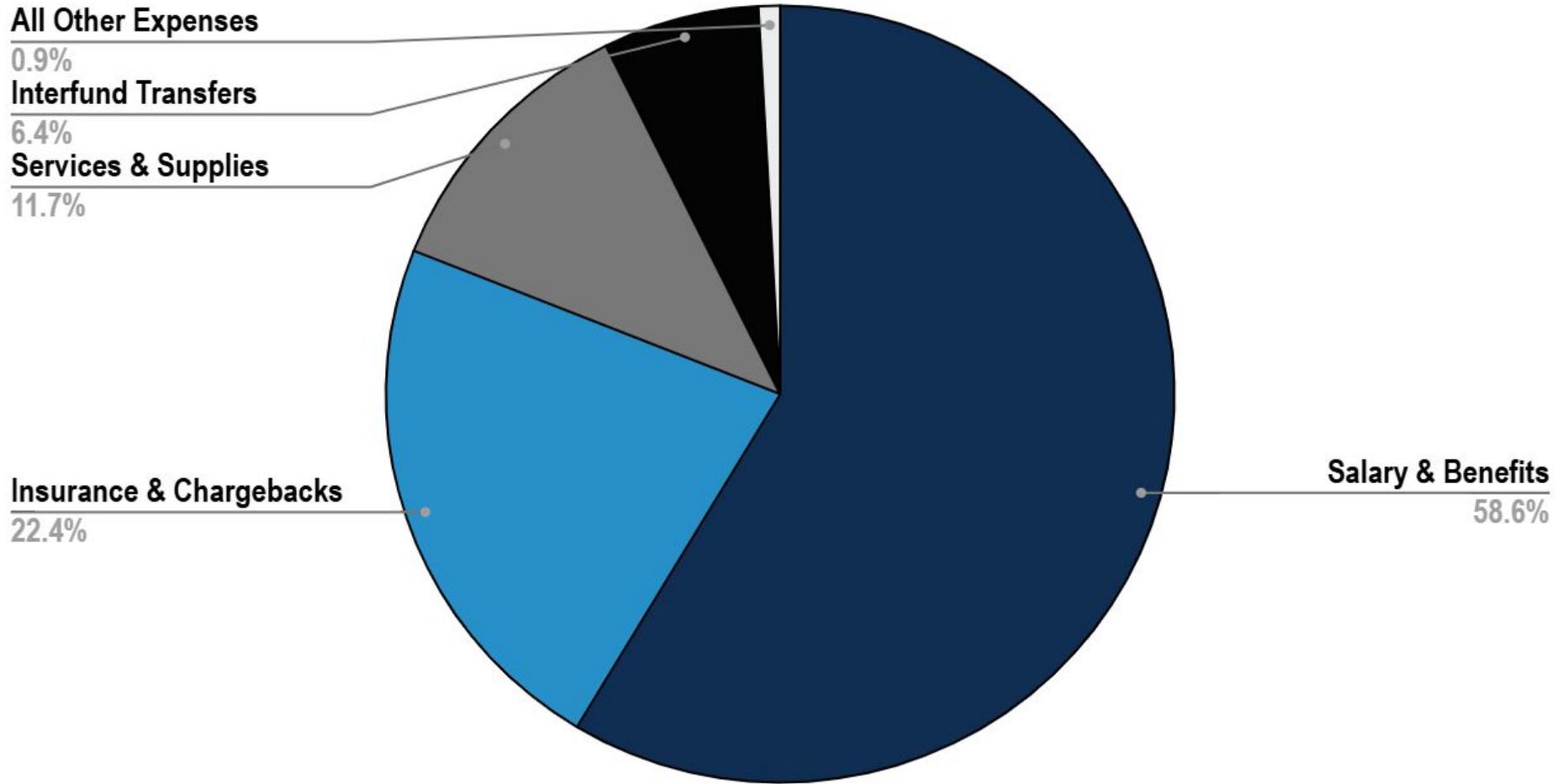
## Reasons for Budget Increases FY 2021 - FY 2026



# General Fund - Revenue Summary



# General Fund - Expense Summary



# General Fund - FY 2026 Highlights

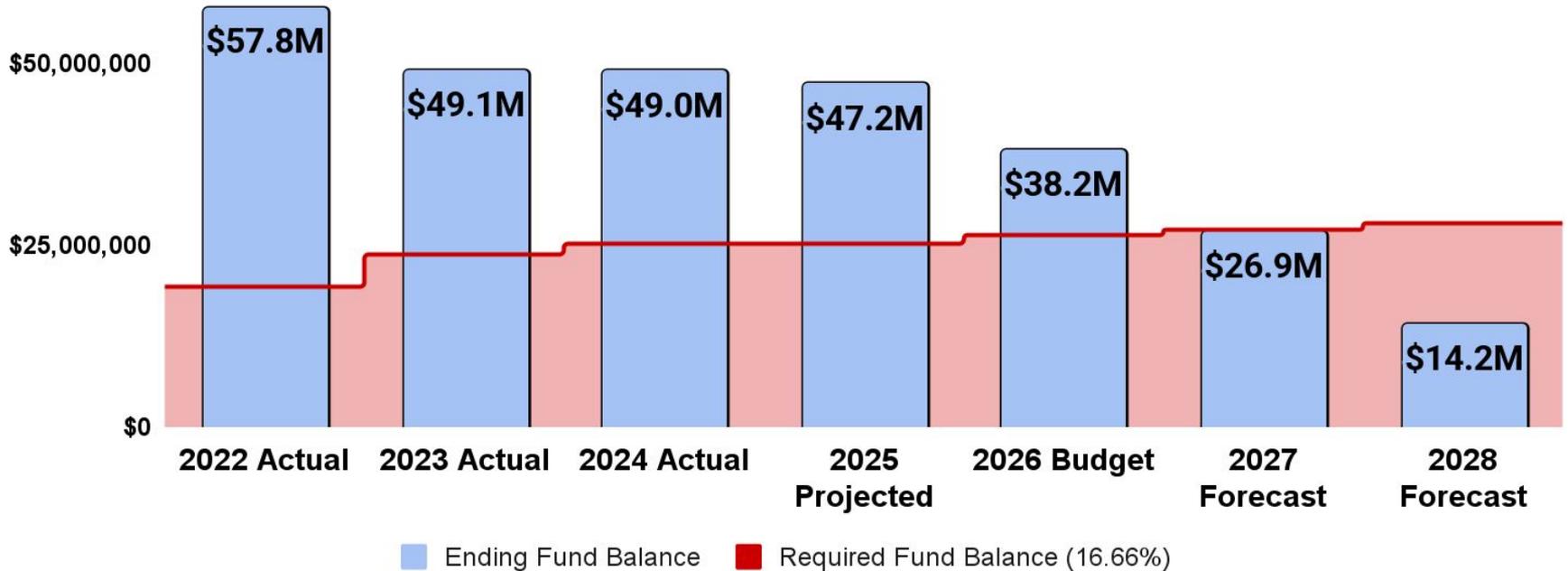
- **Public Safety Pensions** - Required annual contribution increases by \$700,000 to \$30.3 million with a property tax levy of \$23 million.
- **Wage Increases** - Budget includes contractual and non-union wage increases.
- **New Operating Requests**
  - **\$2,550,000** - Annual rent to operate City Hall from 909 Davis Street. This facility allows the City to mitigate cost uncertainty and operational disruptions while planning long-term for the replacement of Police HQ, Fire HQ, and the old Civic Center.
  - **\$700,000** - Triennial Tree Inoculation to prevent tree death due to Dutch Elm Disease
  - **\$128,000** - Two new positions: a part-time Content Specialist in Communications and a full-time Public Works Maintenance Worker II in the Greenways Division.
- **Operating Expense Reductions** - Excluding the costs of new operating requests, the City Manager's Office worked with all Departments to reduce all existing operating expenditures in the General Fund by 2% from FY 2025 to 2026.

# General Fund - FY 2026 Budget Balancing

General Fund Summary	Revenues	Expenses	Net
<b>Baseline General Fund</b>	\$145,437,018	\$159,442,315	<b>\$(14,505,297)</b>
Proposed General Fund Changes (detail below)	\$18,608,702	\$4,547,615	\$14,561,087
<b>Proposed General Fund Budget</b>	<b>\$164,045,720</b>	<b>\$163,989,930</b>	<b>\$55,790</b>
Proposed General Fund Changes	Revenues	Expenses	Notes:
<b><u>City-Wide Changes</u></b>			
Transfer to Parks Fund	\$5,558,702	\$5,558,702	
Use of General Fund Balance	\$9,050,000		
Increase Property Tax Levy for P&R Fund	\$1,000,000		
Increase Property Tax Levy for Pensions	\$3,000,000		
Rent at 909 Davis		\$2,550,000	
Tree Inoculation and Other New Requests		\$953,000	
Public Safety Pension Contribution Increase from 2025		\$727,133	
Cut/Reallocation of Expenses		\$(1,816,582)	
Implementation of a 4% vacancy rate		\$(3,424,638)	
Zero Based Budgeting in Public Works	TBD	TBD	

# General Fund - Fund Balance Projection Scenario #1

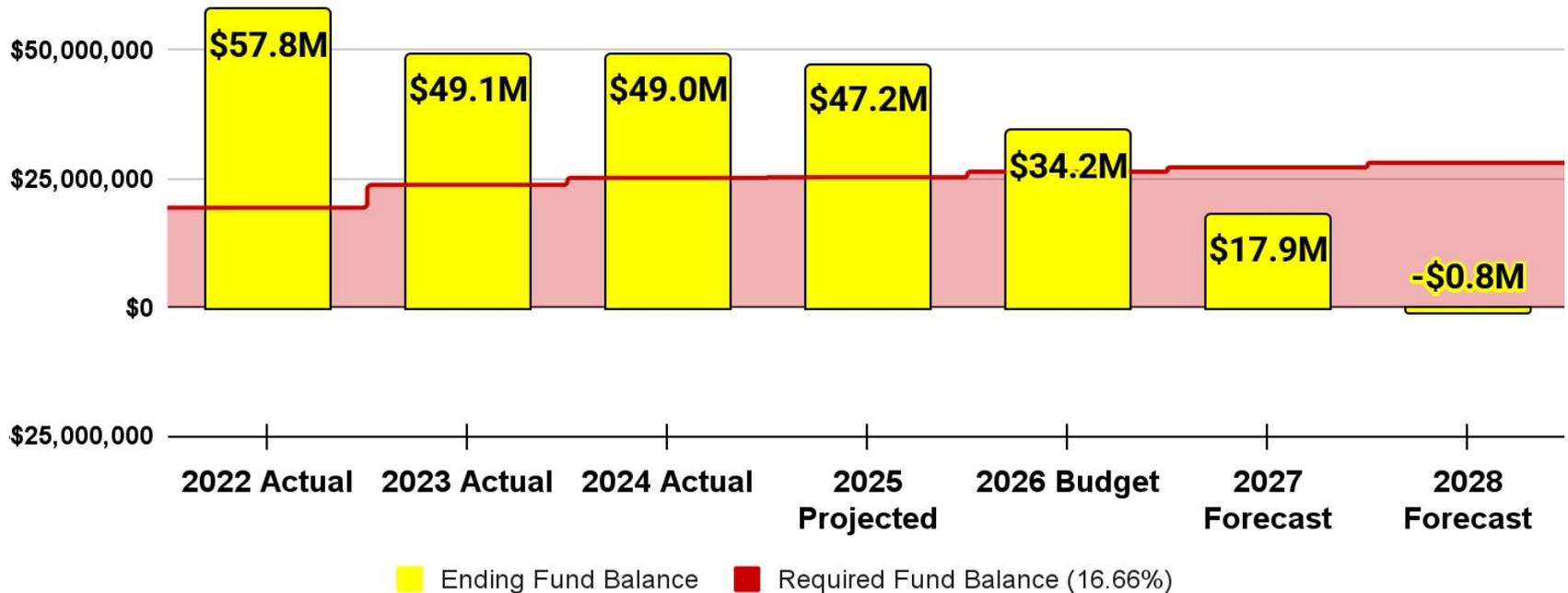
With Tax Levy Increase as Proposed in FY 2026



- The FY 2026 proposed \$4M property tax increase for Parks and Public Safety pensions to address the structural deficit.
- Salary and benefit costs increasing by \$27.1M (39%) and public safety pension contributions have increased by \$9.2M (43%) since 2021 compared to this tax levy increase of \$4M.
- Additional efforts will be needed in FY 2027 to fully eliminate deficit.

# General Fund - Fund Balance Projection Scenario #2

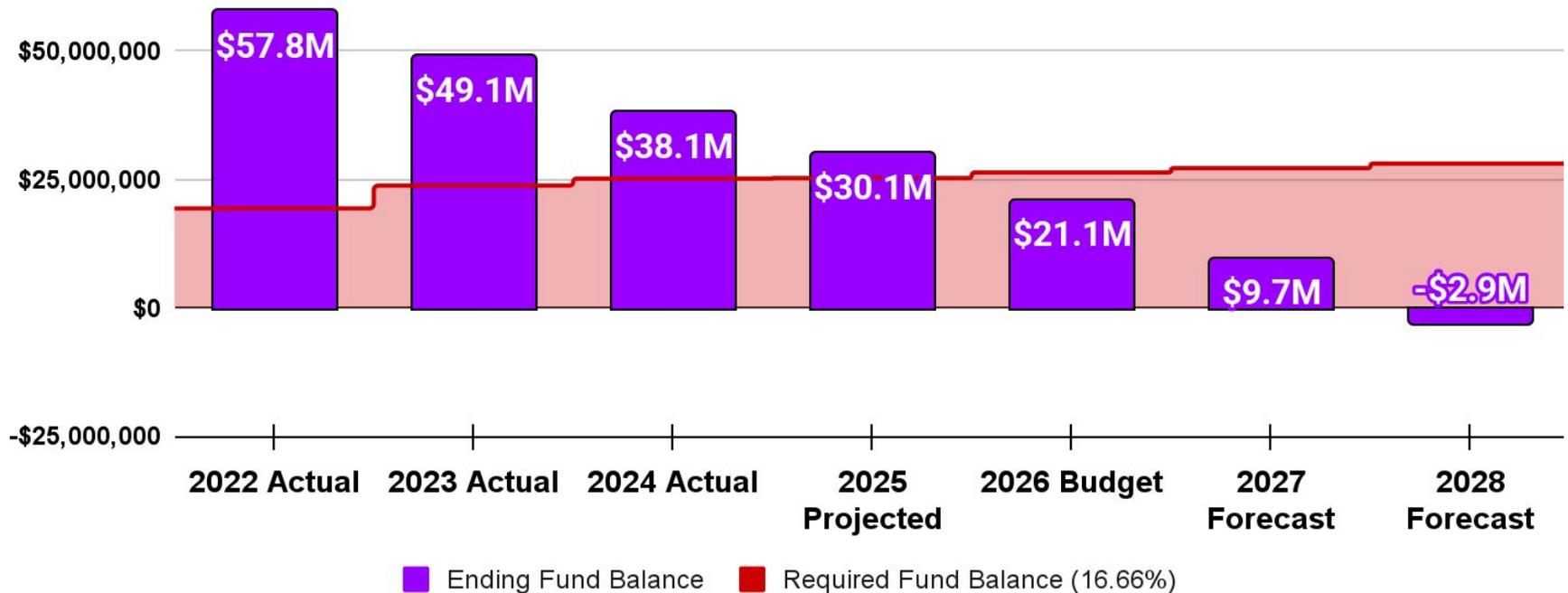
Without Proposed Tax Levy Increase in FY 2026



- In the absence of one-time permit revenues in 2026, this shows what would happen if the property tax increase is not approved or replaced with a sustainable alternative.
- The General Fund will still finish 2026 with some excess reserves, but this further exacerbates the structural deficit and delays an even larger property tax increase.
- Fund balance is fully exhausted in 2028.

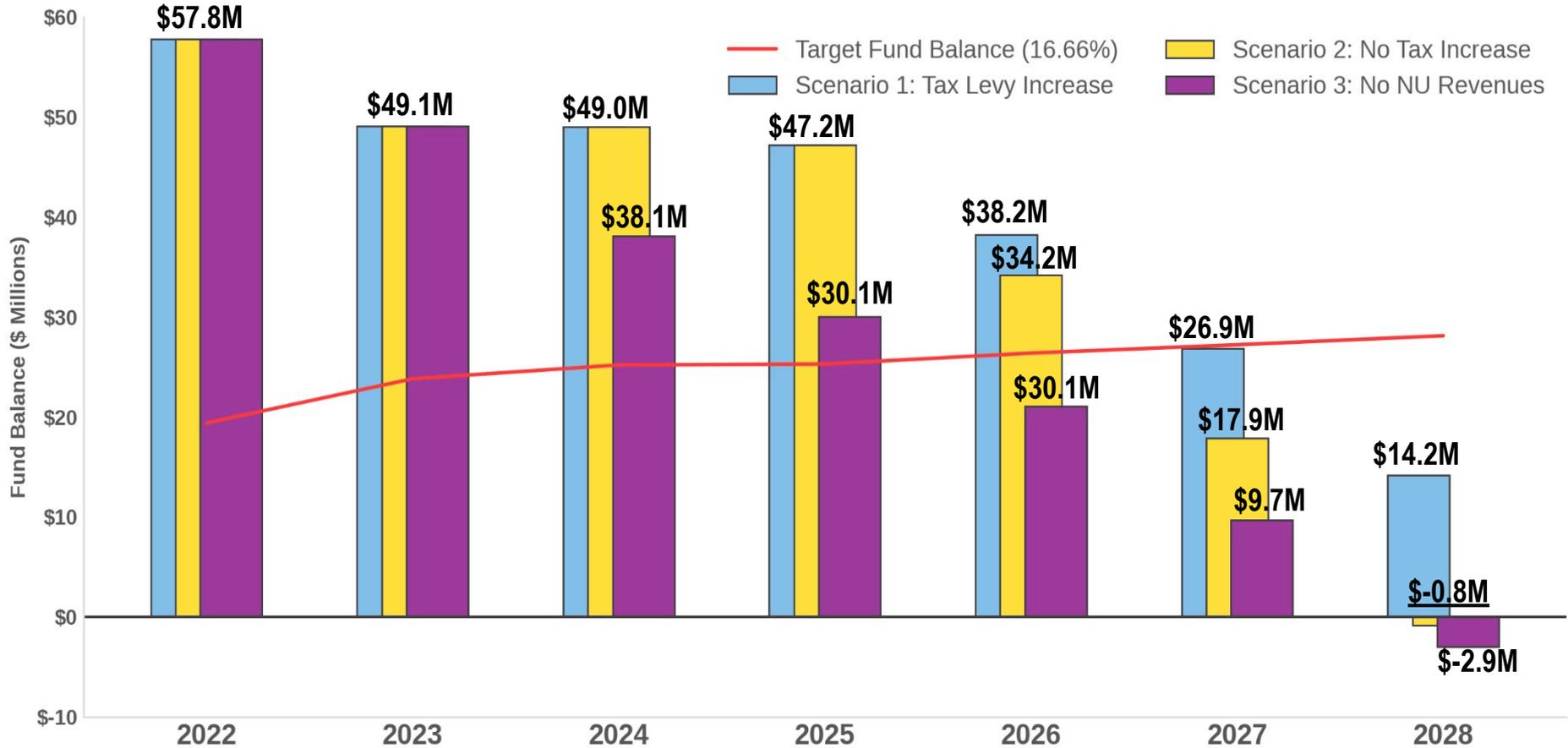
# General Fund - Fund Balance Projection Scenario #3

With Tax Levy Increase in FY 2026 but without NU Permit Revenues



- One-time permit revenues have delayed property tax increase and other difficult decisions.
- This includes the increase to the property tax levy as proposed, but even that increase would leave the City finishing \$5 million short of policy if not for these one-time permit revenues.
- Were it not for the \$17.2 million in one-time permit revenues, the City would finish 2025 with just \$4.8 million in excess reserves from what was once \$38.4 million in excess reserves.

# General Fund: Fund Balance Scenarios Compared



# Property Tax Levy

The property tax levy and tax rate 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.

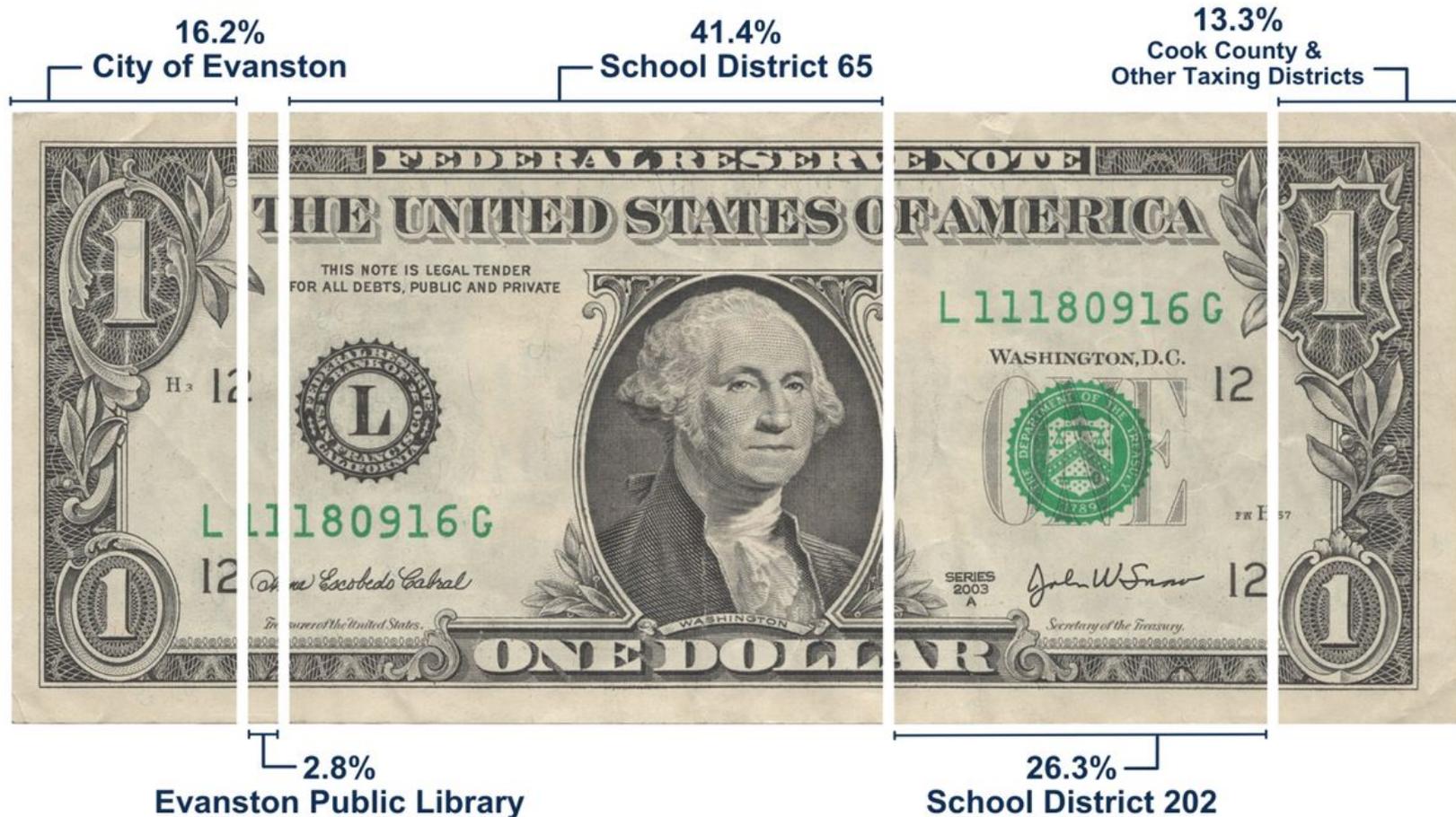
If property values increase, the tax levy can also increase with the rate remaining the same.

# 2026 Proposed Budget - Property Tax Levy

	2023 Adopted Tax Levy (FY 2024)	2024 Adopted Tax Levy (FY 2025)	2025 Proposed Tax Levy (FY 2026)	Proposed Change (\$)	Proposed Change (%)
General Fund Tax Levy	9,057,297	9,449,797	9,949,797	500,000	5.3%
Parks and Recreation Levy	0	0	1,000,000	1,000,000	-
Human Services Fund	3,360,000	3,650,000	6,150,000	2,500,000	68.5%
General Assistance Fund	1,050,000	750,000	750,000	0	0.0%
Solid Waste Fund	1,332,500	950,000	450,000	-500,000	-52.6%
Debt Service (City)	12,766,093	12,766,093	12,766,093	0	0.0%
Fire Pension Fund	9,598,610	9,598,610	11,098,610	1,500,000	15.6%
Police Pension Fund	10,391,495	10,391,495	11,891,495	1,500,000	14.4%
<b>Total City Levy</b>	<b>47,555,995</b>	<b>47,555,995</b>	<b>54,055,995</b>	<b>6,500,000</b>	<b>13.7%</b>
Library Fund	8,213,664	8,624,347	9,486,782	862,435	10.0%
Debt Service (Library)	574,677	576,946	547,822	-29,124	-5.0%
<b>Total Library Levy</b>	<b>8,788,341</b>	<b>9,201,293</b>	<b>10,034,604</b>	<b>833,311</b>	<b>9.1%</b>
<b>Total Levy (City &amp; Library)</b>	<b>56,344,336</b>	<b>56,757,288</b>	<b>64,090,599</b>	<b>7,333,311</b>	<b>12.9%</b>

# 2026 Proposed Budget – Property Tax Levy

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



# 2026 Proposed Budget – Property Tax Rate

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	1.980	20.15%
Arlington Heights	9.204	1.009	0.394	0.481	1.884	20.47%
Skokie	8.986	0.486	0.430	0.407	1.323	14.72%
Park Ridge	8.985	0.706	0.200	0.524	1.430	15.92%
Des Plaines	8.694	0.923	0.224	0.441	1.588	18.27%
Bloomington*	8.415	0.993	0.293	0.000	1.286	15.28%
Evanston*	8.066	1.298**	0.221	0.000	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

# 2026 Proposed Budget – Property Tax Rate

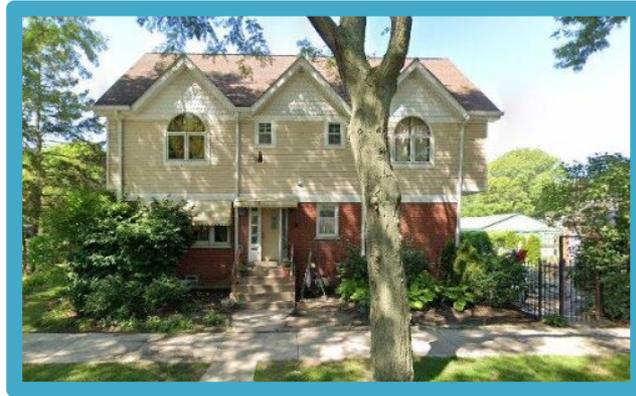
Community	Home Value	2023 Average Composite Rate	Approximate Tax Bill for Average Composite Rate	Approximate Property Tax Bill towards Municipality + Library + Park District	Approximate Property Tax Bill towards Elementary & Secondary School Districts	Approximate Property Tax Bill towards All Other Taxing Districts
Oak Park	\$454,600	10.811	\$13,743.05	\$3,336.93	\$8,543.80	\$1,862.32
Palatine	\$454,600	9.825	\$12,489.64	\$2,517.00	\$8,447.19	\$1,525.45
Arlington Heights	\$454,600	9.204	\$11,700.22	\$2,394.96	\$7,468.36	\$1,836.90
Skokie	\$454,600	8.986	\$11,423.09	\$1,681.81	\$8,634.06	\$1,107.22
Park Ridge	\$454,600	8.985	\$11,421.82	\$1,817.83	\$8,096.34	\$1,507.66
Des Plaines	\$454,600	8.694	\$11,051.90	\$2,018.68	\$7,468.36	\$1,564.86
Bloomington*	\$454,600	8.415	\$12,247.07	\$1,871.56	\$7,617.21	\$2,758.29
<b>Evanston**</b>	<b>\$454,600</b>	<b>8.066</b>	<b>\$10,253.58</b>	<b>\$1,930.97</b>	<b>\$6,907.76</b>	<b>\$1,414.86</b>

\*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 Assistance property tax levy

Note: Total taxes for all communities include the maximum allowable Homeowners exemption for their respective counties

# Peer Communities - Equivalent Valued Homes



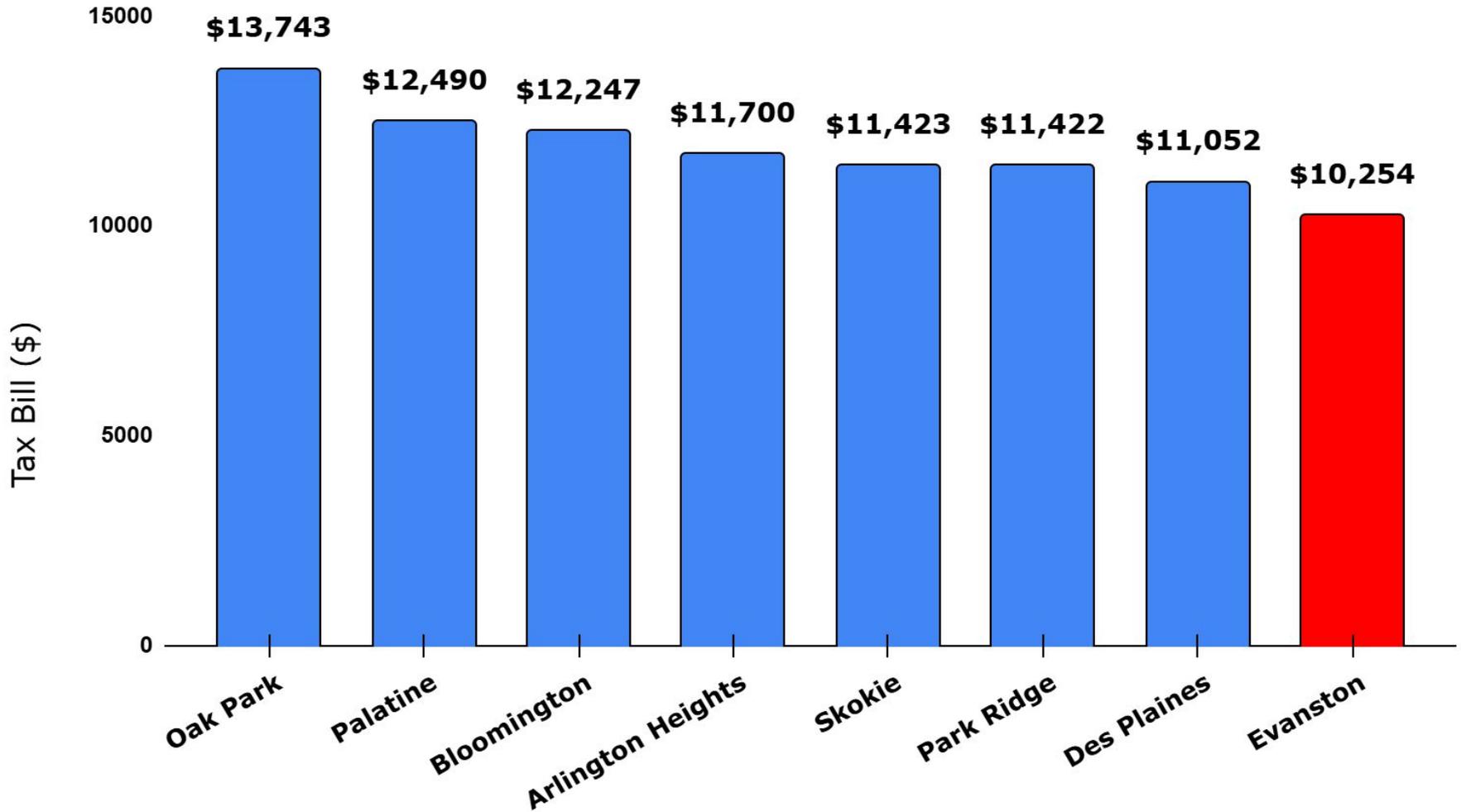
# 2026 Proposed Budget – Proposed Property Tax Impact (compared to 2023 Tax Rates)

Market Value of Property	Detail	10% Market Assessed Value	Equalized Value	Estimated City/Library Tax	Projected City/Library Tax (w/ 12.9% increase)	Amount of Increase
\$294,000	Condo	\$29,400	\$88,679.22	\$1,347.04	\$1,521.08	\$174.04
<b>\$454,600</b>	<b>Median</b>	<b>\$45,460</b>	<b>\$137,121.00</b>	<b>\$2,082.87</b>	<b>\$2,351.98</b>	<b>\$269.12</b>
\$620,000	Multi-Family	\$62,000	\$187,010.60	\$2,840.69	\$3,207.72	\$367.03
\$675,000	Single-Family	\$67,500	\$203,600.25	\$3,092.69	\$3,492.28	\$399.59

Note: These are estimated numbers before any exemptions using 2023 tax rates from Cook County.

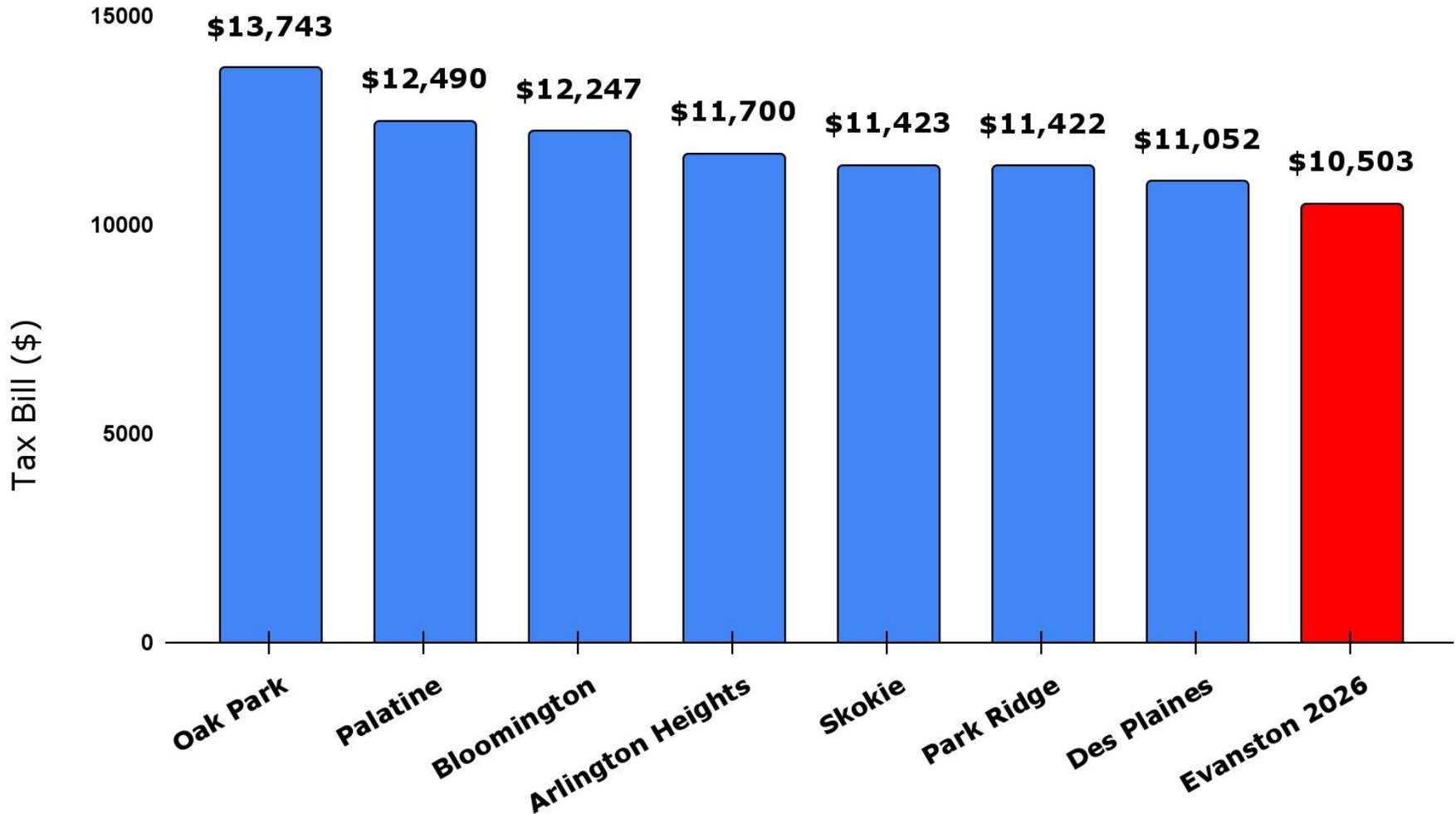
# 2023 Property Tax - Peer Community Comparison

Total Tax for a \$454,600 Home using 2023 Average Rates



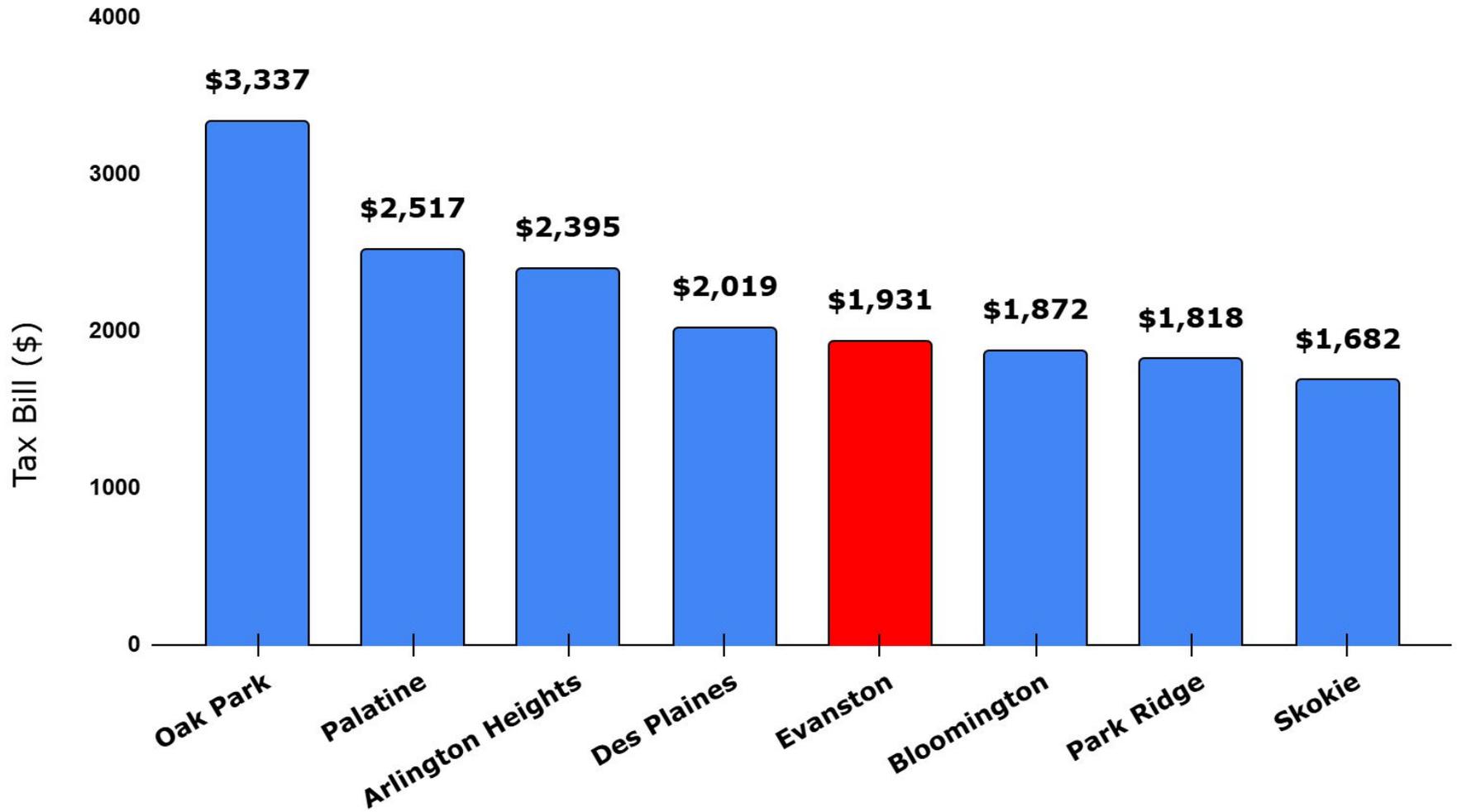
# 2025 Property Tax - Peer Community Comparison

Total Tax for a \$454,600 Home using 2023 Average Rates plus Evanston's Proposed Increase



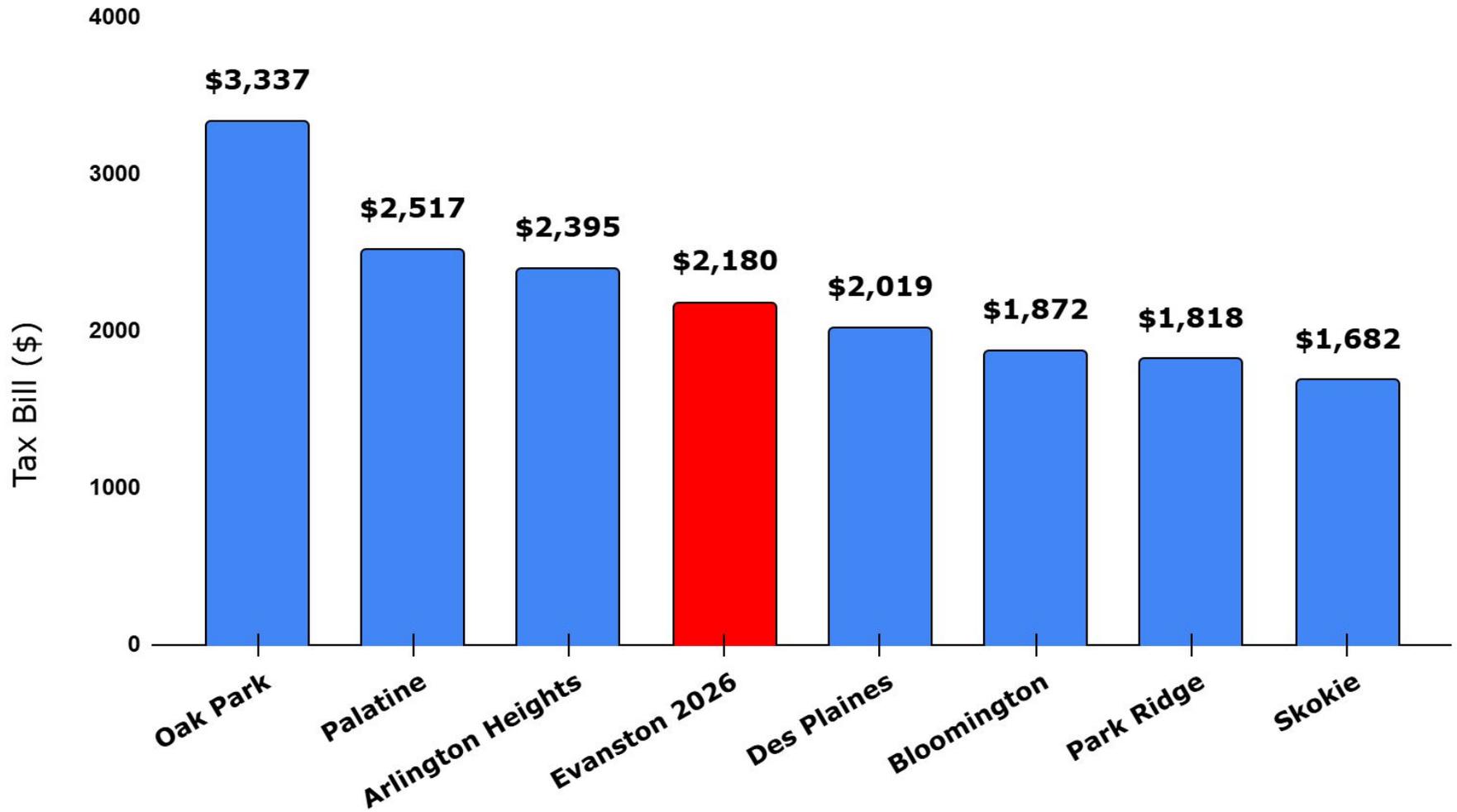
# 2023 Property Tax - Peer Community Comparison

Municipal Tax for a \$454,600 Home using 2023 Average Rates



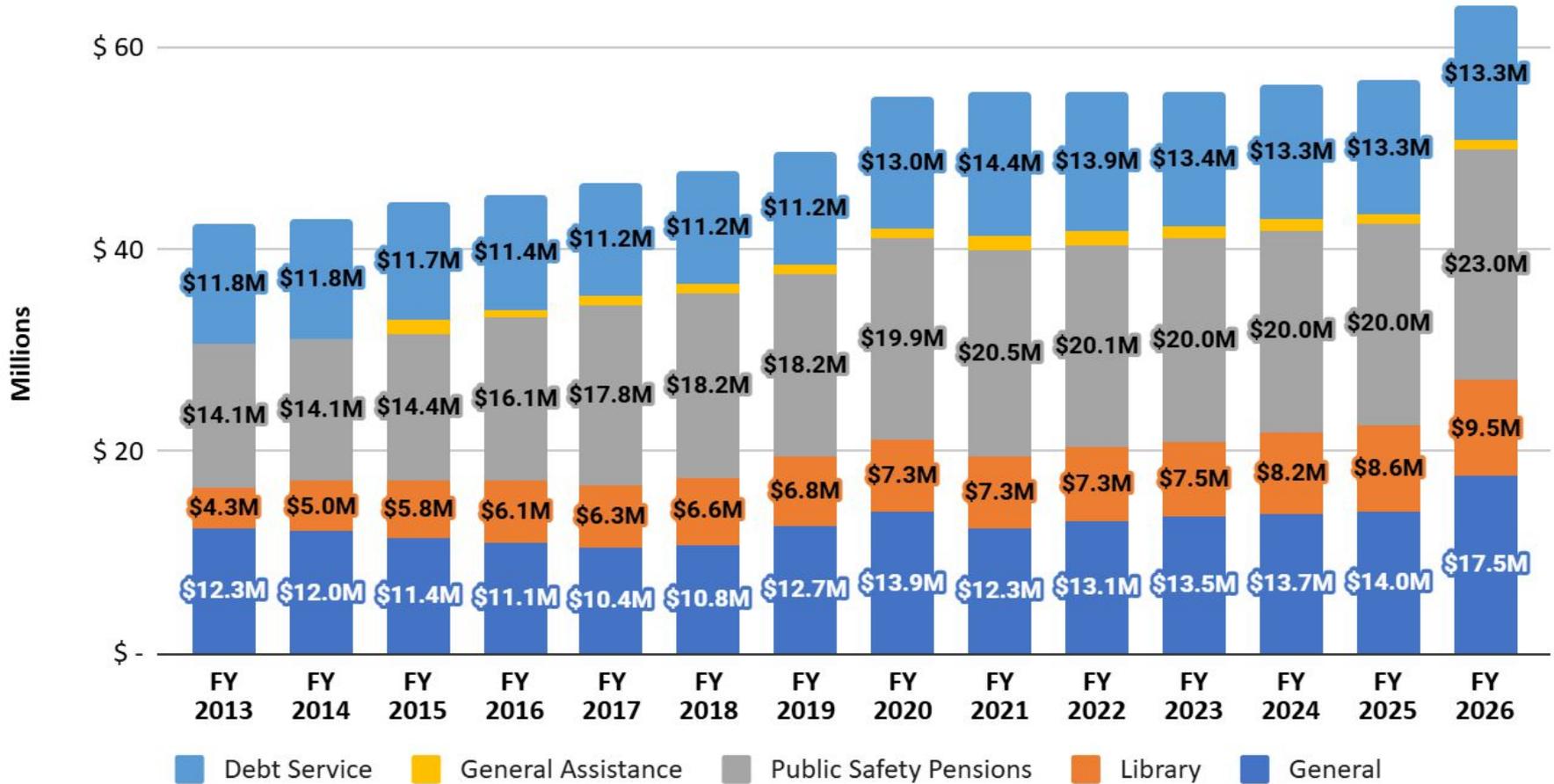
# 2025 Property Tax - Peer Community Comparison

Municipal Tax for a \$454,600 Home using 2023 Average Rates plus Evanston's Proposed Increase



# 2026 Proposed Budget – Property Tax Impact

## Property Tax Levy (FY 2013 - FY 2026)



# 2026 Proposed Budget – Other Fee Adjustments

Fee	Change	Reason	Impact on Evanston Resident
Sewer	0%	Fund balance is able to cover current capital needs	None
Water	0%	A 13.5% rate increase was planned for FY 2026 but can be delayed given the fund balance and timing of capital projects	None

# 2026 Proposed Budget – Other Fund Highlights

- **Parks and Recreation Fund (see p. 176)**
  - Purpose of fund is to isolate programmatic expenses of the department to provide more transparency, insight into operations, and enhance decision making.
  - Fund is balanced with \$1 million property tax increase and \$5.6 million transfer from the General Fund.
- **Human Services Fund (see p. 218)**
  - Cost of programs (Mayor’s Summer Youth, CARE, mental health board allocations, outreach, and health department programs, etc.) total \$6.6 million.
  - Primary funding source for this fund is the property tax levy.
  - Two additional full-time CARE Team Responders are proposed to expand this team.
- **Good Neighbor Fund (see p. 237)**
  - Fund serves as pass through for annual contribution from Northwestern with funds transferred to the General Fund, Sustainability Fund, and Affordable Housing Fund following the CBA.
- **Pro Housing Fund (see p. 271)**
  - New fund largely created as a placeholder for the \$7 million Pro Housing Grant from HUD.

# 2026 Proposed Budget – Other Initiatives

- Begin development of a new zoning code
- An online portal that makes city records more readily available to the public
- New Fire and Emergency Medical Services (EMS) incident reporting software
- Expansion of Evanston's Divvy for Everyone bike share program
- Start design of the City's \$7 million Pro Housing Grant Program for affordable housing
- Preserve over 1,500 trees by inoculating them against Dutch Elm Disease
- Implement the Healthy Buildings Ordinance to reduce large building emissions
- Expand the City's Crisis Alternative Response Evanston (CARE) team which dispatches trained civilian responders to non-emergency calls like wellness checks & public complaints
- Carry out \$90.5 million in capital improvements in the community, including the new raw water intake project which improves long-term reliability of the City's water plant

# 2026 Proposed Capital Improvement Plan by Fund

Full details for FY 2026 proposed capital projects for can be found on the Public Works Agency's interactive [CIP Dashboard](https://bit.ly/PWACIP) at <https://bit.ly/PWACIP>

Fund	FY 2026 Proposed
187 - Library Fund	\$1,155,000
200 - Motor Fuel Tax Fund	\$3,930,000
215 - CDBG Fund	\$600,000
335 - West Evanston TIF Fund	\$1,725,000
345 - Chicago-Main TIF Fund	\$740,000
365 - Five Fifths TIF Fund	\$207,361
415 - Capital Improvements Fund	\$37,628,000
416 - Crown Construction Fund	\$300,000
420 - Special Assessment Fund	\$225,000
505 - Parking Fund	\$775,000
510 - Water Fund	\$37,003,000
515 - Sewer Fund	\$6,230,000
<b>Total:</b>	<b>\$90,518,361</b>