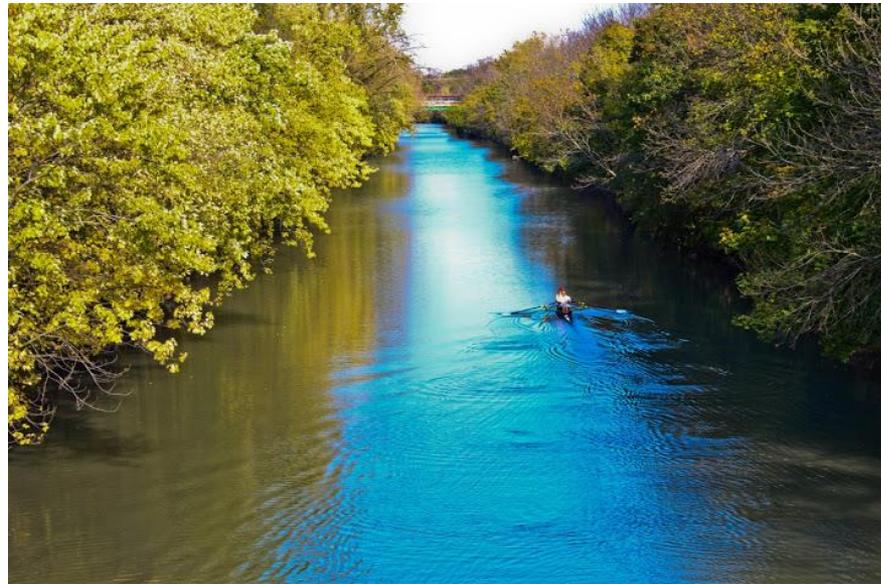


# EVANSTON

## 2016 Second Quarter Financial Report



**Martin Lyons**  
**Assistant City Manager/CFO**  
**Ashley King, Budget and Finance Manager**

August 15, 2016



City of  
Evanston™

City Manager's Office

# EVANSTON ILLINOIS

## 2<sup>nd</sup> Quarter Financial Report Initial End of Year Estimates

Mid-year 2016 report

**Martin Lyons**

**Assistant City Manager/CFO**

**Ashley King, Budget and Finance Manager**

August 15, 2016



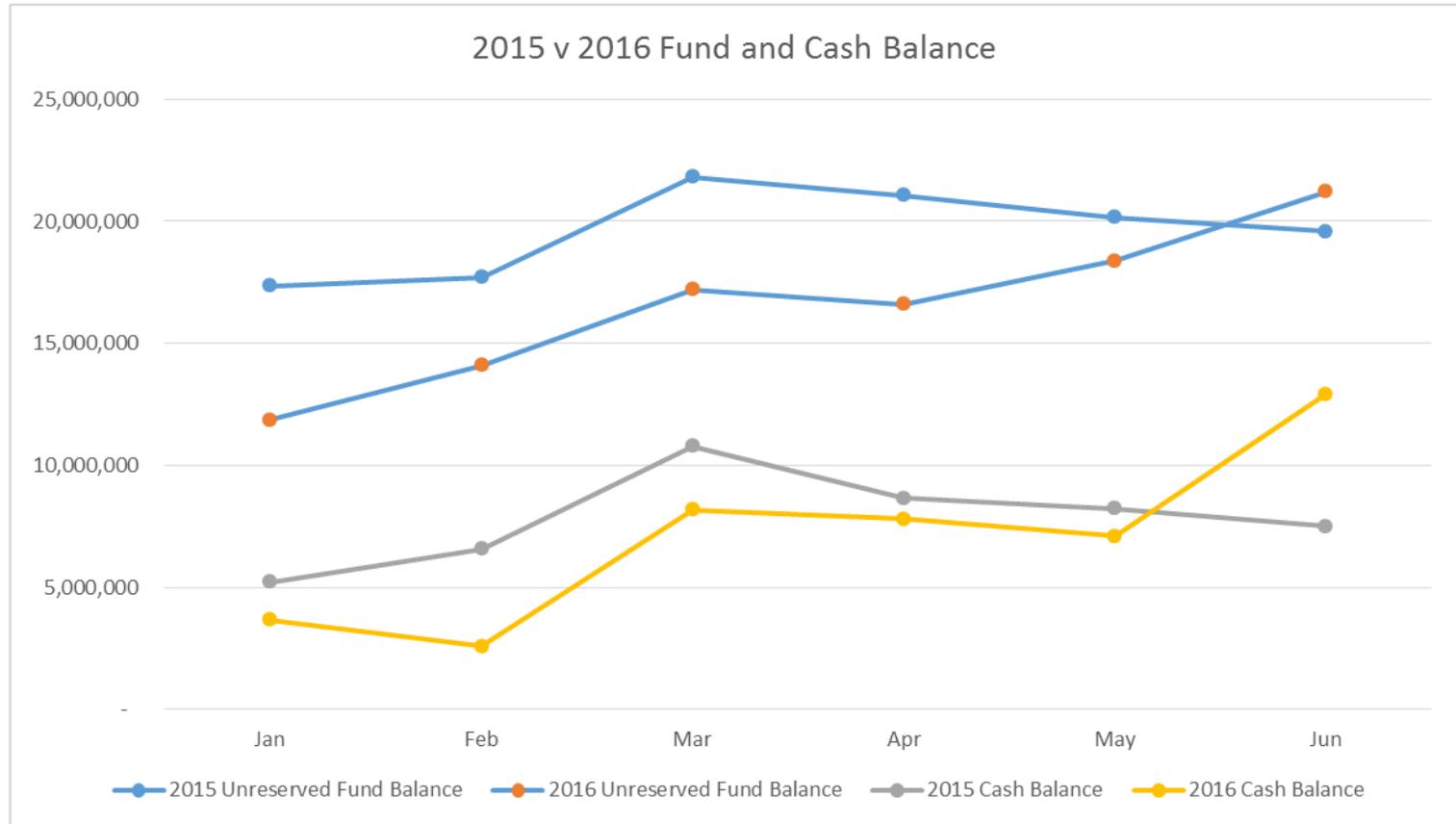
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# 2016 SECOND QUARTER OVERVIEW

- **General Fund revenues were \$57.4M or 51.15% of budget**
- **General Fund expenses were \$49.2M or 44% of budget**
- **General Fund 2016 Second Quarter ending unreserved fund balance was \$21,225,995 with a cash balance of \$12,919,440**

# 2016 SECOND QUARTER OVERVIEW



# GENERAL FUND REVENUE OVERVIEW

Classification	2016 Budget	Actual	%	2015 Actual
Property Taxes	27,417,407	15,332,026	55.92%	25,915,970
Other Taxes	45,986,550	20,956,916	45.57%	44,978,985
License	5,329,777	1,822,879	34.20%	5,324,137
Permit	9,276,550	7,905,645	85.22%	6,704,846
Fee	125,700	42,071	33.47%	155,619
Fines and Forfeitures	4,609,825	1,586,594	34.42%	3,548,230
Parking Charges for Services	640,000	-	0.00%	640,000
Parks and Recreation Charges for Services	5,374,751	3,754,075	69.85%	5,406,379
Other Charges for Services	2,433,216	1,311,099	53.88%	2,239,528
Interfund Transfers	8,842,365	3,877,451	43.85%	7,836,484
Intergovernmental Revenue	765,727	325,092	42.46%	670,245
Other Revenue	1,286,843	434,943	33.80%	894,703
Interest Income	50,000	10,389	20.78%	6,572
<b>REVENUE TOTAL</b>	<b>112,138,711</b>	<b>57,359,180</b>	<b>51.15%</b>	<b>104,321,698</b>

Through June 30 the City received 55.9% of property taxes. This includes the first time that the General Fund collects pension property taxes and transfers them to their respective pension funds.

# GENERAL FUND EXPENSE OVERVIEW

Department	2016 Budget	Actual	%	2015 Actual
CITY COUNCIL	424,958	205,800	48.43%	419,962
CITY CLERK	263,203	137,674	52.31%	283,764
CITY MANAGER'S OFFICE	6,989,746	2,817,743	40.31%	1,814,469
LAW	1,130,000	457,687	40.50%	1,051,325
ADMINISTRATIVE SERVICES	9,634,173	3,956,800	41.07%	24,887,860
COMMUNITY DEVELOPMENT	2,740,032	1,136,423	41.47%	2,425,618
POLICE	37,696,278	17,579,513	46.63%	28,493,534
FIRE MGMT & SUPPORT	22,601,742	10,629,399	47.03%	14,954,025
HEALTH	3,544,226	1,455,346	41.06%	3,212,848
PARKS, REC. AND COMMUNITY SERV.	11,820,590	4,429,497	37.47%	11,180,116
PUBLIC WORKS AGENCY	14,861,248	6,434,401	43.30%	-
<b>EXPENSE TOTAL</b>	<b>111,706,196</b>	<b>49,240,284</b>	<b>44.08%</b>	<b>88,723,520</b>

- Most departments are under the 50% expense target (44% of payroll; 3 ½ payrolls in December)
- Police & Fire have expenses associated with the transfer of property tax to their respective pension funds (not included in unaudited 2015 Actual column)
- Expenses are not evenly distributed throughout the year (i.e. Parks programs in the summer)

# ENTERPRISE FUND OVERVIEW

	Budget	Actual	%
<b>PARKING SYSTEM FUND</b>			
Revenues	10,322,856	5,329,425	51.63%
Expenses	16,938,042	3,231,017	19.08%
<b>WATER FUND</b>			
Revenues	37,718,000	7,791,402	20.66%
Expenses	41,125,255	10,481,628	25.49%
<b>SEWER FUND</b>			
Revenues	13,873,815	6,505,175	46.89%
Expenses	15,481,301	6,207,174	40.09%
<b>SOLID WASTE FUND</b>			
Revenues	5,201,361	2,429,040	46.70%
Expenses	5,140,517	2,327,370	45.28%

- Parking Deck Revenues are up as well as meter revenues.
- Water Revenues are low due to the timing of bonds for Clear Well.



# ALL FUNDS REVENUE OVERVIEW

- All funds are grouped by category/type
- Capital funds include Bond Proceeds
- Police/Fire Pension revenues are from taxes, contributions and investment income.

Fund Category	Budgeted Revenue	Actual Revenue	%
Capital	20,560,615	4,254,590	20.69%
CDBG and Housing	7,899,841	2,558,560	32.39%
Debt Service Funds	14,402,393	7,243,457	50.29%
Enterprise	67,116,032	22,055,042	32.86%
General	112,138,711	57,359,180	51.15%
Internal Service Funds	22,819,545	10,670,920	46.76%
Library	7,017,157	3,432,577	48.92%
Pension	29,891,805	9,299,217	31.11%
Special Revenue	3,730,000	1,341,023	35.95%
TIF Funds	8,775,050	4,326,219	49.30%
<b>TOTAL</b>	<b>294,351,149</b>	<b>122,540,785</b>	<b>41.63%</b>

# ALL FUNDS EXPENSE OVERVIEW

- All funds are grouped by category/type
- Capital funds do not include expenses for Water/Sewer, etc.
- Police/Fire Pension Expenses are for benefits paid
- Special Revenue includes Econ Dev, SSA, 911 and G.A.

Fund Category	Budgeted Expenses	Actual Expenses	%
Capital	22,769,615	1,820,342	7.99%
CDBG and Housing	8,515,779	2,361,034	27.73%
Debt Service Funds	17,055,111	15,744,487	92.32%
Enterprise	78,685,115	22,247,189	28.27%
General	111,706,196	49,240,284	44.08%
Internal Service Funds	22,352,201	9,467,318	42.36%
Library	6,997,142	3,040,463	43.45%
Pension	19,210,000	9,646,470	50.22%
Special Revenue	4,705,643	2,165,959	46.03%
TIF Funds	12,498,004	5,453,190	43.63%
<b>TOTAL</b>	<b>304,494,806</b>	<b>121,186,737</b>	<b>39.80%</b>

# END OF YEAR ESTIMATES

- **Staff anticipates end of year Building Permit revenue to be approximately \$9M (budget of \$7.5M).**
- **Total General Fund Revenues are expected to be above budget by less than 1.0%**
- **Clerk's Office and Fire department budgets will be slightly over budget, however total General Fund is expected to be under budget by approximately 1.0%**

# END OF YEAR ESTIMATES— GENERAL FUND REVENUES

REVENUES	2016 Adopted Budget	2016 June 30	2016 Estimated Amount
Property Taxes	\$27,417,407	\$15,332,026	\$27,397,407
Other Taxes	\$45,986,550	\$20,956,916	\$47,534,260
Licenses	\$5,329,777	\$1,822,879	\$5,326,050
Permits	\$9,276,550	\$7,905,645	\$11,333,000
Fees	\$125,700	\$42,071	\$96,000
Fines & Forfeitures	\$4,609,825	\$1,586,594	\$3,613,000
Parks and Recreation Charges for	\$6,014,751	\$3,754,075	\$5,521,000
Other Chargest for Service	\$2,433,216	\$1,311,099	\$3,320,217
Interfund Transfers	\$8,842,365	\$3,877,451	\$6,979,354
Intergovernmental Revenue	\$765,727	\$325,092	\$414,300
Other Revenue	\$1,286,843	\$434,943	\$1,400,095
Interest Income	\$50,000	\$10,389	\$30,000
<b>TOTAL</b>	<b>\$112,138,711</b>	<b>\$57,359,180</b>	<b>\$112,964,683</b>

Final 2016 Estimates will change based on budget reviews with all Departments



# END OF YEAR ESTIMATES— GENERAL FUND EXPENSES

EXPENSES	2016 Adopted Budget	2016 June 30	2016 Estimated Amount
13 - CITY COUNCIL	\$424,958	\$205,800	\$408,300
14 - CITY CLERK	\$263,203	\$137,674	\$362,500
15 - CITY MANAGER'S OFFICE	\$6,989,746	\$2,817,743	\$7,020,000
17 - LAW	\$1,130,000	\$457,687	\$1,125,000
19 - ADMINISTRATIVE SERVICES	\$9,634,173	\$3,956,800	\$9,250,000
21 - COMMUNITY DEVELOPMENT	\$2,740,032	\$1,136,423	\$2,540,000
22 - POLICE	\$37,696,278	\$17,579,513	\$37,500,000
23 - FIRE MGMT & SUPPORT	\$22,601,742	\$10,629,399	\$23,200,000
24 - HEALTH	\$3,544,226	\$1,455,346	\$3,350,000
30 - PARKS, REC. AND COMMUNITY S	\$11,820,590	\$4,429,497	\$11,650,000
40 - PUBLIC WORKS AGENCY	\$14,861,248	\$6,434,401	\$14,250,000
<b>TOTAL</b>	<b>\$111,706,196</b>	<b>\$49,240,283</b>	<b>\$110,655,800</b>

Final 2016 Estimates will change based on budget reviews with all  
Departments



# END OF YEAR ESTIMATES— OVER-TIME ANALYSIS

## Fire Department

**\$300,000 in over-time through first two quarters of 2016**

- 2 vacancies held pending state budget crisis**
- 7 individuals on long-term leave (5 injured on duty)**
- additional functions:**

Activity	Hours	@ \$50	Revenue
Explorer Program	76.25	\$ 3,813	
Citizen CPR	47.00	\$ 2,350	\$ 4,630
After Hours Tests & Public Education	34.00	\$ 1,700	
Union Leave	82.00	\$ 4,100	
Functional Movement	39.00	\$ 1,950	
SCBA Test & Repair	107.00	\$ 5,350	
<b>TOTAL</b>	<b>385.25</b>	<b>\$ 19,263</b>	<b>\$ 4,630</b>



# END OF YEAR ESTIMATES— OVER-TIME ANALYSIS

## Police Department

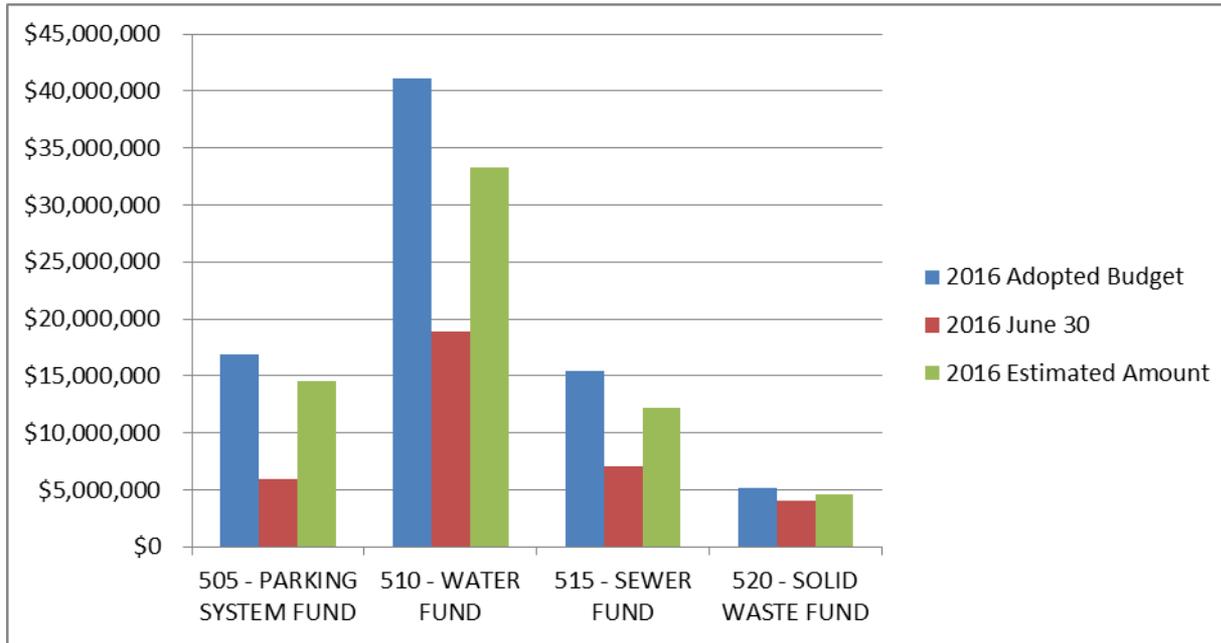
- increases shift minimum for summer
- 3 officers on light-duty
- increase in over-time
- decrease in regular pay

POLICE DEPARTMENT PERSONNEL COSTS

	Annual Budget Amount	2nd Quarter Actual Amount	% of Budget
<b>2015</b>			
Regular Pay	19,042,644.00	8,719,943.56	45.79%
Over-time	633,676.00	526,284.01	83.05%
<b>TOTAL</b>	<b>19,676,320.00</b>	<b>9,246,227.57</b>	<b>46.99%</b>
<b>2016</b>			
Regular Pay	20,194,669.00	8,349,595.70	41.35%
Over-time	723,676.00	610,855.92	84.41%
<b>TOTAL</b>	<b>20,918,345.00</b>	<b>8,960,451.62</b>	<b>42.84%</b>



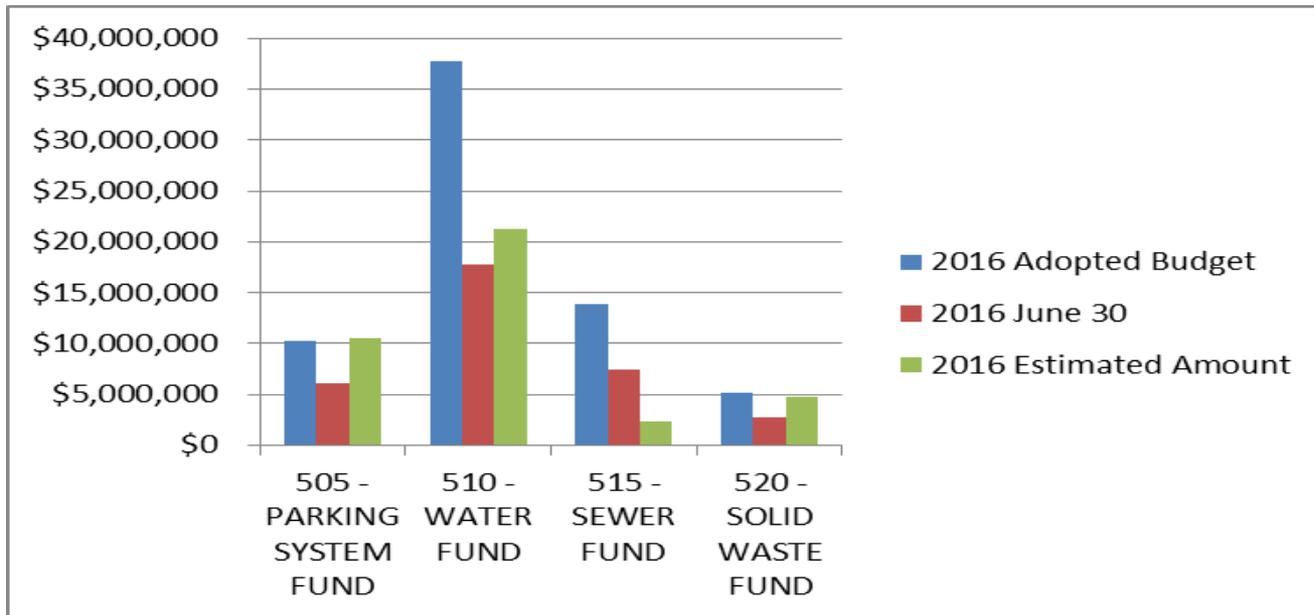
# END OF YEAR ESTIMATES— ENTERPRISE FUNDS EXPENSES



	2016 Adopted Budget	2016 June 30	2016 Estimated Amount
<b>505 - PARKING SYSTEM FUND</b>	\$16,938,042	\$5,984,972	\$14,500,000
<b>510 - WATER FUND</b>	\$41,125,255	\$18,850,386	\$33,339,467
<b>515 - SEWER FUND</b>	\$15,481,301	\$7,065,531	\$12,153,014
<b>520 - SOLID WASTE FUND</b>	\$5,140,517	\$4,101,873	\$4,565,636



# END OF YEAR ESTIMATES— ENTERPRISE FUNDS REVENUES



	2016 Adopted Budget	2016 June 30	2016 Estimated Amount
505 - PARKING SYSTEM FUND	\$10,322,856	\$6,117,705	\$10,570,720
510 - WATER FUND	\$37,718,000	\$17,804,439	\$21,309,000
515 - SEWER FUND	\$13,873,815	\$7,409,328	\$2,344,500
520 - SOLID WASTE FUND	\$5,201,361	\$2,736,372	\$4,800,967

# 2016 CIP UPDATE

Total funding in 2016 CIP = \$54.1M

As of 8/15/16 (assuming contracts on agenda approved by City Council) = \$31.8M under contract

## Major Projects Not Yet Under Contract

Project	Budget	Status
Treated Water Storage Repl	\$17,840,000	Coordinating construction issues with NU, est. 9/17 construction start
Robert Crown Engineering Svcs	\$600,000	RFQ is ready to issue dependent on City Council approval
Fleetwood HVAC/ Electrical	Budgeted=\$400k Estimated=\$1.7M	Design is complete, discussing funding options

# CIP UPDATE

Project	Cost	Status	Estimated Completion
ERGB	\$11,180,282	Under construction	12/15/16
CIP Street Resurfacing/ Water Main	\$1,637,841	Under construction	9/30/16
Parking Garage Impr	\$1,568,000	Under construction	12/30/16
Howard Street Access Drive	\$1,385,154	Under construction	11/30/16
Water Plant Reliability Impr	\$1,247,000	Approved by City Council 7/11/16 Finalizing loan application with IEPA	3/31/17
CIP Alley Improvement	\$1,231,874	Under consideration for award on 8/15/16	11/15/16
MFT Street Resurfacing	\$1,057,750	Under construction	9/30/16
Fountain Square	\$5,000,000 (estimated)	In design	12/31/17

# CONCLUSION

- The City of Evanston ended the second quarter in stable financial condition.
- The 2016 Budget marks the first time that property taxes supporting pensions are counted in both the General Fund and the pension funds. (Also shown in the 2015 CAFR)
- The City has received a \$3 million building permit from Northwestern during June. Building Permit revenue improved the City's cash and fund balance position as noted in cash flow chart
- The State of Illinois continues to operate without a budget.
  - 2017 Budget will need to account for State budget.
  - General Fund Balance is below the City Policy, and ending 2016 and budgeting to 2017 at a surplus will resolve this situation.

# QUESTIONS?