

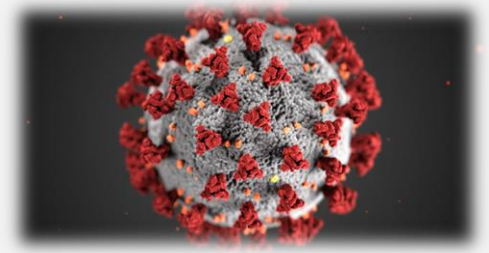


City of Highland Park

Covid-19 Coronavirus Economic Impact Report

Committee of the Whole Meeting
22 June 2020

Agenda



City's Response Plan considering the economic impact on revenue resulting from the Covid-19 Pandemic

- Operating Expenditures
- Capital Projects
- 2021 Budget Timeline
- Next Steps

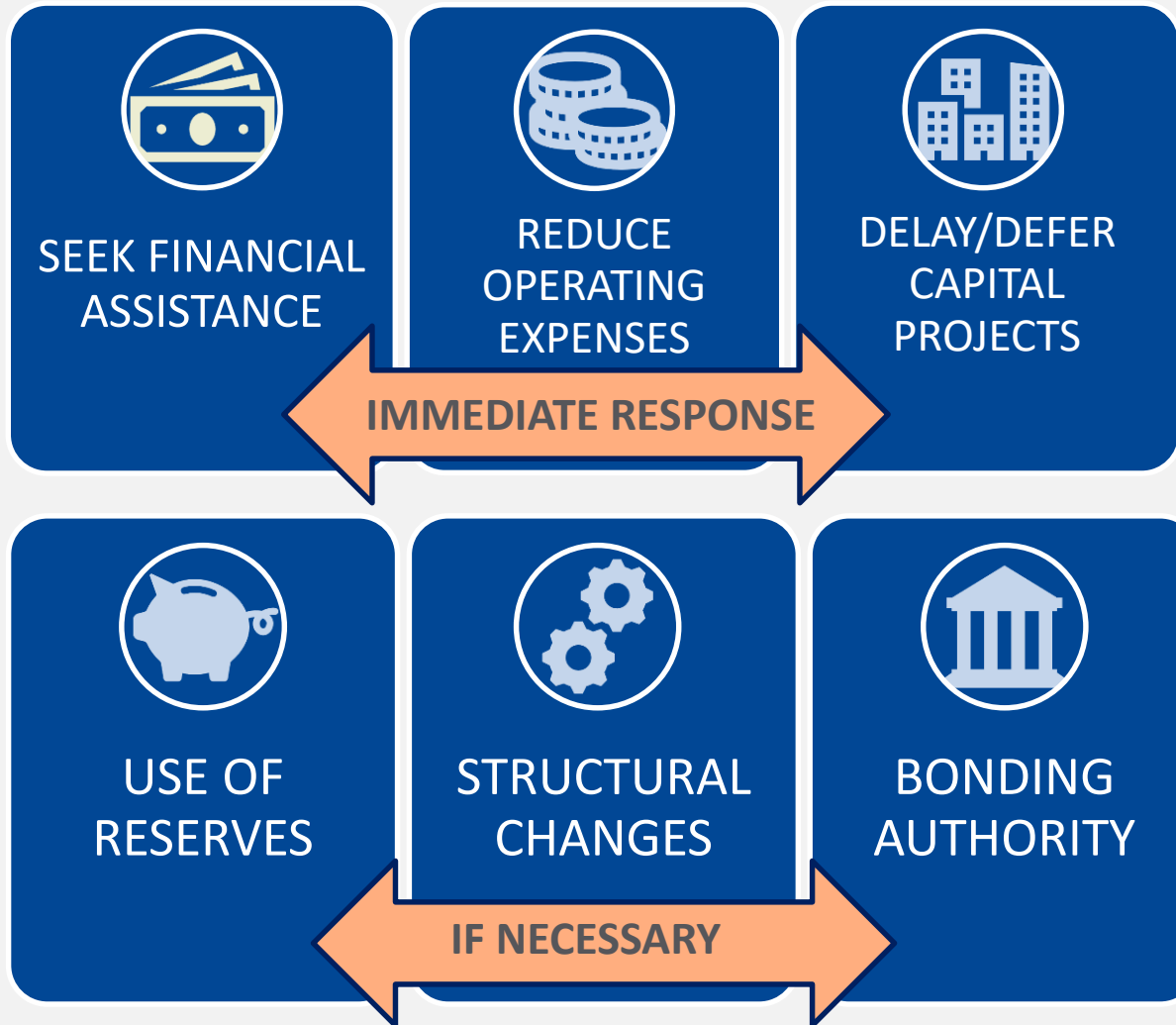
Local Impact of Covid-19 Pandemic

Last report: 5/26/2020 COTW

The City anticipates 2020 revenue to be lower, as follows with most of the impact in the General Fund:

- \$8 million (10%) lower vs. 2019 ongoing revenue
- \$10 million (12%) lower vs. 2020 budget

City Response



Operating Expenditures Reduced

The City identified \$1.4 million of reductions vs. 2020 budgeted operating expenditures. Additional reductions are anticipated and will be presented at a later date.

	Operating Expenditures		
	Budget	Reduction	% Bdgt
City Manager's Office	2,970,200	621,700	21%
Finance Department	2,181,500	291,200	13%
Police Department	2,883,600	29,800	1%
Fire Department	652,600	42,600	7%
Community Development	620,100	91,500	15%
Public Works	1,972,100	343,000	17%
Commissions & Boards	146,200	11,900	8%
General Fund	11,426,300	1,431,700	13%
Insurance Fund	6,015,800	8,800	0.1%
Grand Total*	17,442,100	1,440,500	8%

*-Includes only funds affected by a budget reduction.

Operating Impact – Finance \$291k

Postpone phone handsets replacement & system upgrade	100,000
Reduce Worker's Compensation	70,000
Postpone electronic content management implementation scanning	50,000
Postpone managed service part of Security Info. and Event Mgt. (SEIM)	50,000
Reduce third party vendor costs due to eliminating vehicle stickers	19,200
All Other	2,000
Finance Department Reductions	291,200

Note: “All other” significantly includes professional development, training, and related travel costs. The staff is concentrating on no or low cost training alternatives for 2020 and 2021. Given the pandemic, there are more virtual no and low cost training alternatives available.

Operating Impact – Comm/Bds \$12k

Eliminate TAG-requested studies and signs	4,200
Eliminate BFPC 2020 seminars & commissioner training	3,100
Reduce PDC food budget, meeting times did not change	2,400
Eliminate TAG furnishing & small equipment	1,000
Eliminate PDC Chair Conference Attendance	900
Eliminate HPC Conference Attendance	400
Commissions & Boards Reductions	11,900

Acronym Key:

- TAG Transportation Advisory Group
- BFPC Board of Fire and Police Commissioners
- PDC Plan and Design Commission
- HPC Historic Preservation Commission

Operating Impact – City Mgr. \$622k

Reduce grant making contribution to Highland Park Community Foundation	250,000
AHS hearing officer/counsel retainer costs and departmental project legal costs	98,900
Reallocate \$50,000 from Sustainability Fund	50,000
Cancel 4th of July, Music Festival, and Holiday Lighting	36,400
Defer Taste and Business Summit events; Reduce Small Bus. Façade Pgrm.	25,800
HPCC defer kitchen upgrades, A/V eqp. maint., ceiling replacmt., reduced supplies/labor	27,800
Video svcs., public access studio use/maint., website form, survey, social media ads	18,600
Reduce employee training and new employee orientation budget	15,300
Cancel Visit Lake County Membership and reduce advertising materials/number of ads	14,500
No ILCMA, NPELRA, IPELRA Conf.; reduced benefits adm. and HR training; less travel	12,400
Reduce new hire advertising, background checks, job fairs, and office/skills testing	12,300
Reduce public art acquisition/conversation/facilitation	12,000
Postpone benefits administration enhancements	10,000
No Sister Cities stipend for 2020	8,100
Reduced postage by switch to bi-monthly Highlander beginning in June	7,700
Reduced photo/printing - benefits adm., IDs, bus. Cards, less Highlander, less Shorelines	6,800
No child/parent to work day; reduce employee appreciation prgm 50%; no holiday party	6,800
Reduced Mayor allowance and City Council meeting allowance	3,400
All Other	5,100
City Manager's Office Reductions	621,700

Operating Impact – Police/Fire \$72k

Reduce training-CALEA, IACP, NIPAS, CAI, NWU Crime, Women Crim. Justice, Other	10,400
Defer uniform replacement	5,100
Eliminate CALEA membership	4,700
Reduced supplies budget (range, UAV)	4,000
Defer Socrata crime analysis and prevention tool	2,100
Defer National Night Out	1,500
Defer Bristol Outdoor Range rental	1,300
All Other	800
Police Department Reductions	29,800
Defer department physicals to 2021 or pay from Foreign Fire Fund	19,800
Reduce training-Division 3 Spring and Fall Drill, Chief's Conference	6,300
Defer hose replacement to 2021 or pay from Foreign Fire Fund	5,000
Eliminate E-shore Radio Network	4,400
Defer Pancake Breakfast/Open House	2,000
Defer Dive Team Dry Suits replacement to 2021 or pay from Foreign Fire Fund	2,000
Defer replacement of Hazardous Material Meters	1,600
Defer Accreditation Renewal	1,500
Fire Department Reductions	42,600

Operating Impact – Comm Dev \$92k

Suspend Temporary Clerical Services	40,000
Suspend Record Scanning & Disposal Services	15,000
Defer Procurement of Arch Services for PDC Design Review	15,000
Reduce Contract Inspections	13,000
Suspend In-Person Conferences	4,000
Reduce Clothing Purchases	2,000
Defer Furnishing Purchases	2,000
Reduce Supply Purchases	500
Community Development Reductions	91,500

Operating Impact – Public Wks \$343k

Contractual Hand Shoveling - note 1	129,000
Contractual Snow Hauling - note 2	31,400
Holiday tree lights will be expended, funded by donation	60,000
Defer special projects, minor landscaping, decrease service	25,000
Reduce routine tree trimming & resident requests	20,000
Postpone design services on select capital projects	15,000
Defer CBD Banners, light poles, and garbage cans	12,000
Reduce stump/PKY restoration services	10,000
Reduce engineering staff membership dues	9,700
Reduce training-Tyler Conf., Engineering Training, other	8,800
Eliminate EAB/DED Injection program	5,000
Reduce maintenance of Business Districts	5,000
Defer scheduled furnishings purchase	5,000
Eliminate small tools budget	4,000
Reduce costs for publishing ads in the paper	1,700
Eliminate field staff supplies	1,400
Public Works Reductions	343,000

Note: This slide was updated after the June 22, 2020 COTW discussion.

Capital Projects Deferred

The City identified \$5.1 million of reductions vs. 2020 budgeted capital expenditures

	2020
Capital per 2020 Budget	17,540,200
General Fund	(2,490,000)
Capital Fund	(2,424,000)
Water Fund	-
Equipment Fund	(179,100)
Capital per 2020 Estimate	12,447,100
Capital Reduction	(5,093,100)
% Capital Reduction	-29%

Capital Improvement Program- General Fund

2020 Deferred Projects List

Fuel Station Replacement *	800,000
CBD Parking Decks Expansion Joints Replacement *	350,000
City Facility HVAC Replacements	260,000
Bikewalk Enhancement Projects	250,000
City Facilities Interior Improvements	235,000
Public Services Facility Roof Replacement	225,000
Parking and Permitting System Upgrades	100,000
Annual Tree Planting Program	65,000
City Facilities Exterior Improvements	95,000
Fire Arms Training Center Improvements	50,000
Landscape Improvement Projects	35,000
Fire Station 33 and 34 Interior Upgrades	25,000
General Fund Projects Deferred	2,490,000

*Applied For Rebuild Illinois Grant Funding

Capital Improvement Program- Capital Fund

Facility Deferred Projects Summary - \$2,065,000

- Life Safety Projects Not Impacted
- City Facilities, Average Age 50 years
- HVAC Replacements
- City Facilities Interior and Exterior Improvements
- Salt Dome Replacement Postponed

Bikewalk Deferred Projects - \$250,000

- 440 Central Ave Vaulted Sidewalk Repair
- First St and Elm St Intersection Islands *
- Second St On-Street Parking Reconfiguration (By Laurel Ave)

* Applied For Grant Funding

Capital Improvement Program- Capital Fund

2020 Deferred Projects Summary List

■ Asphalt Streets Resurfacing *	\$ 1,000,000
■ Bridge Design Projects **	\$ 500,000
■ Concrete Streets Patching	\$ 350,000
■ Albion Signal Light Reimbursement	\$ 250,000
■ Miscellaneous Improvements	\$184,000
■ Asphalt Streets Testing	\$ 75,000
■ Sidewalk Repairs	\$ 50,000
■ Pavement Rejuvenation	\$ 15,000
Total	\$2,424,000

* Applied For Grant Funding

** Grant Funded Bridges- Wade, Judson, Central, Park Ave W, and St Johns

Capital Improvement Program- Equipment Replacement Fund

2020 Deferred Projects List

Fire Chief Staff Car Replacement 2020 to 2021	35,000
IT-ERP Updated Annual Estimate	60,000
IT-Postpone SEIM Managed Service	50,000
IT-Postpone ECM Implementation/Other	34,100
Equipment Fund Projects Deferred	179,100

Capital Improvement Program

Major Facility Projects Deferred

- **Ravinia Fire Station Moved To 2022**
- **Senior Center Relocation Moved To 2024**

Other Notable Projects

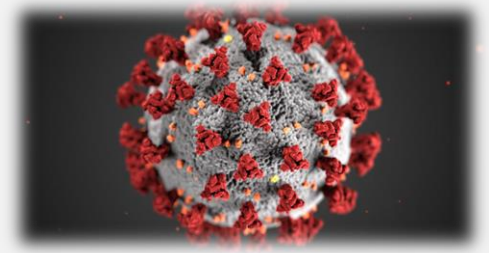
- **Clavey Road Improvement Project**
- **Sheridan Road Sidewalk**
- **Grant Applications Pending Determination**

Updated 2021 Budget Timeline

Description	Prior	Updated	A	M	J	J	A	S	O	N	D
Neighborhood Meetings changed to Virtual Town Halls	Apr 2, May 4, Jun 6	May 20-22									
Budget Schedule	Apr 3	Jun 22									
Draft Budget to Council	Sep 4	Sep 25									
Mission, Goals, Policy, Revenue, Fees, Tax Levy, OPEB, Pensions, 10-Year Capital & Funding, Facilities, Library	Apr 3, Aug 24	Sep 29									
Optional Individual Councilmember Mtgs											
Draft Budget Comments		Oct 9									
Budget Review Sessions	Sep 29, Oct 13	Oct 13									
Proposed Budget to Council / Website	Oct 16 & 19	Oct 16 & 19									
Tax Levy Estmt. & Budget Public Hearing	Oct 26	Oct 26									
Final Budget, Memo, Packet to Council	Oct 30	Oct 30									
Adoption of Budget & Related Ord./Res.	Nov 9	Nov 9									
Property Tax Levy Public Hearing	Nov 9	Nov 9									
Adoption of Property Tax Levy	Dec 14	Dec 14									

DRAFT – WILL BE UPDATED

Next Steps



- Implement cost reductions as presented
- Monitor monthly revenue to determine actual vs. anticipated economic impact
- Continue tracking pandemic expenditures
- Continue seeking financial assistance
- If any funds are recommended to be retained in the budget, staff will present alternative expenditures to be considered for deferral or elimination



City of Highland Park

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Questions?

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