Presentation To:

evanston public library

Meristem Advisors

October 15, 2025

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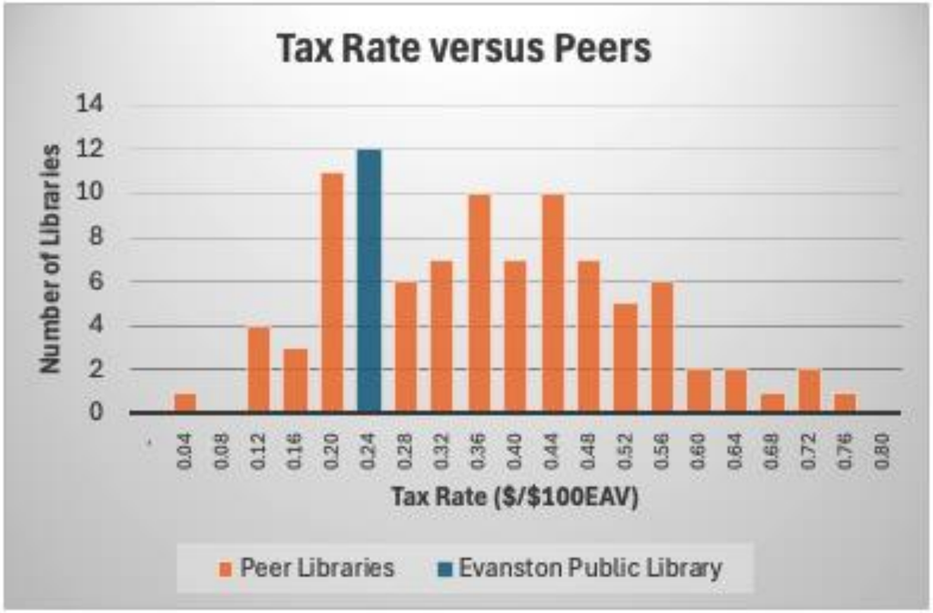
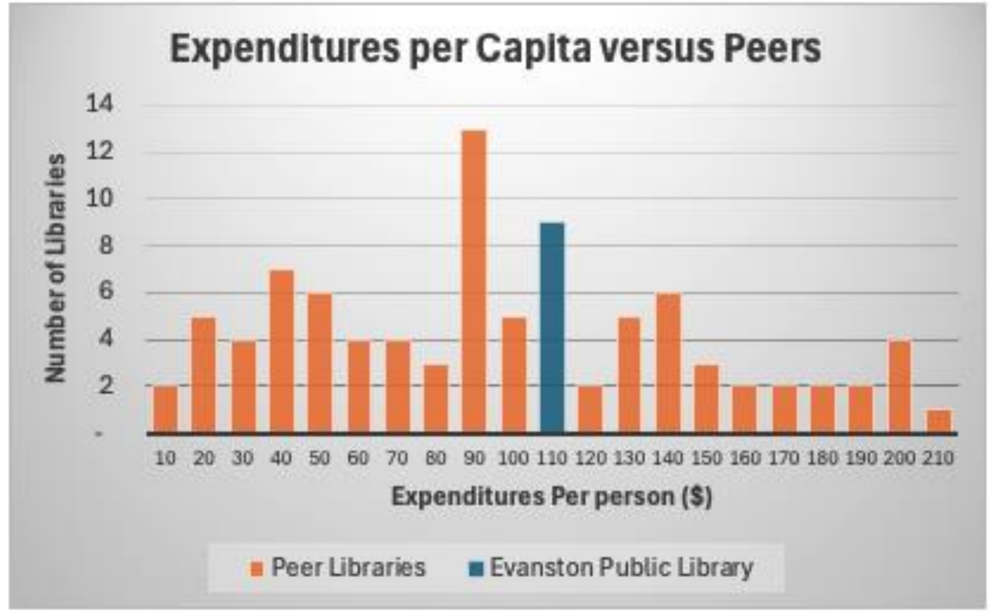
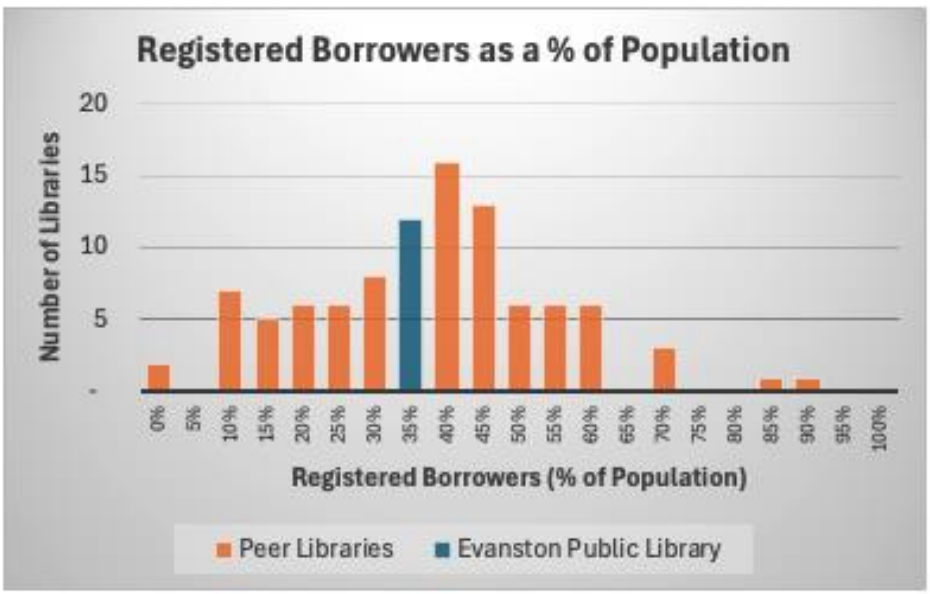
Meristem Has Provided the Library with a Draft Report

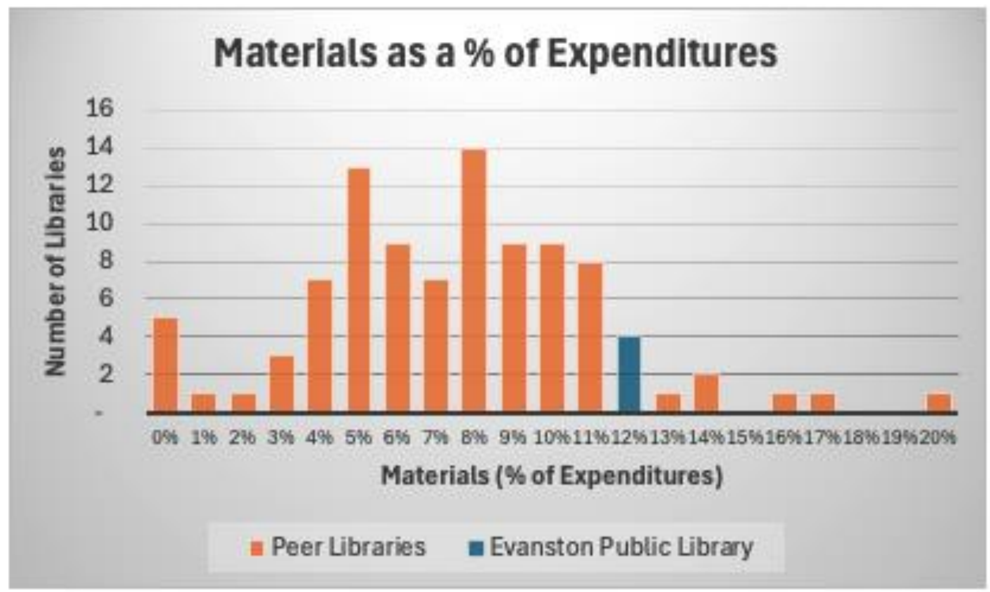
- Highlights
  - Comparison of Evanston Library to Peer Group
  - Historical Financial Performance
  - Projected Expense Adjustments as a District library
  - Addressing Capital Needs
  - Levying under Tax Caps
- Levy Requirements

The Library Versus Other Cook County Libraries

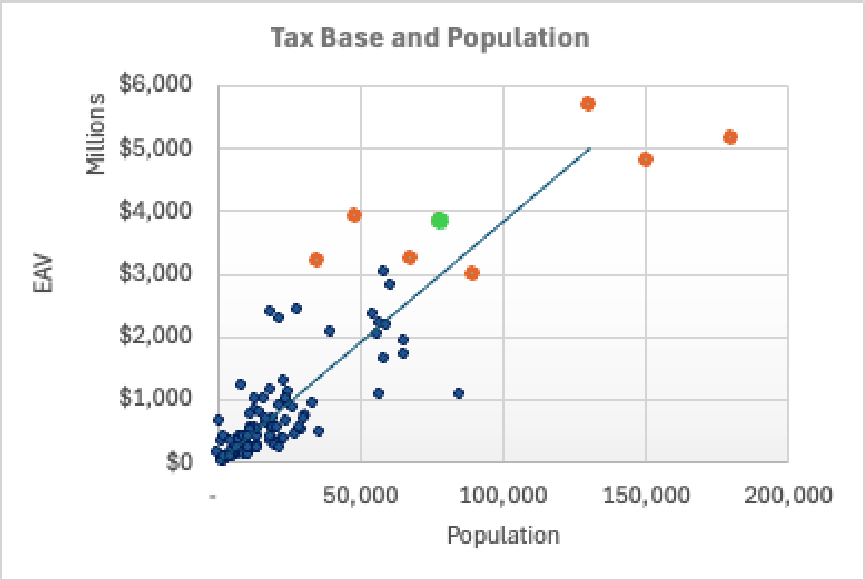


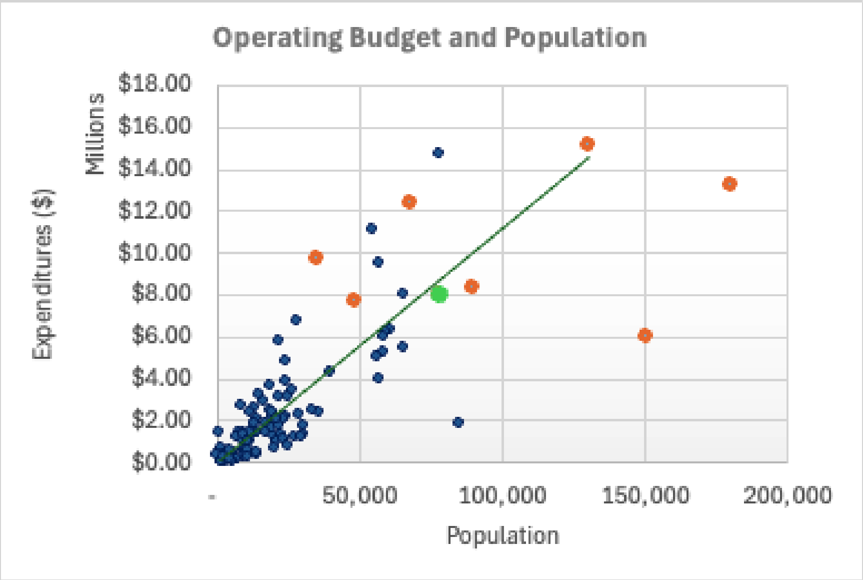


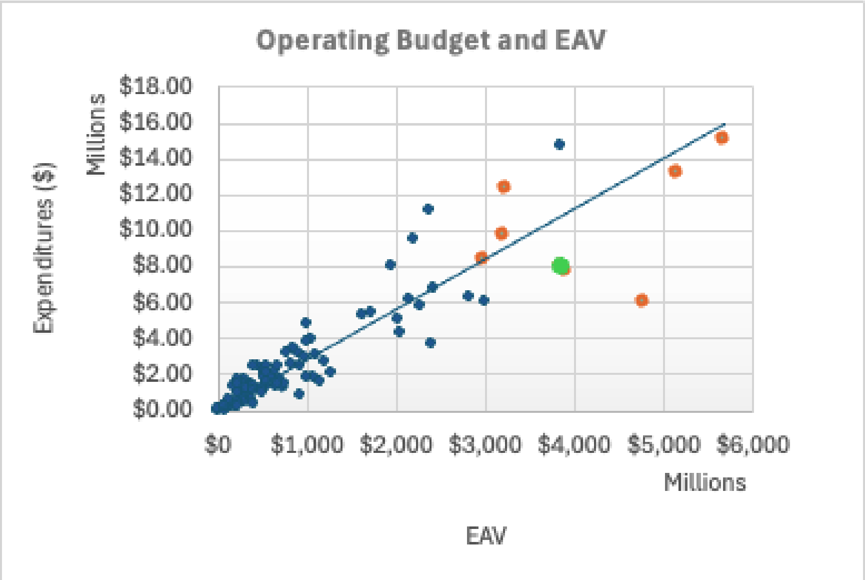


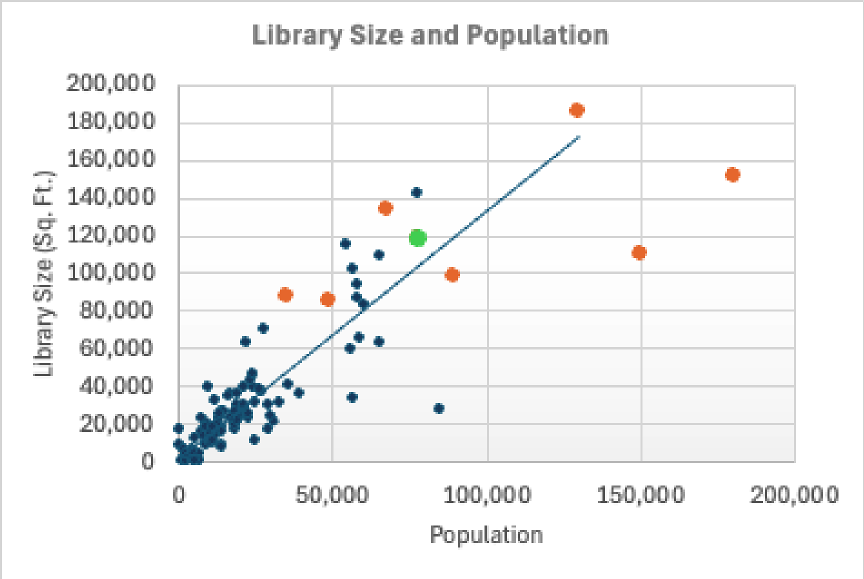


The Library In Comparison to Its Peers









*Data Source: IPLAR 2024 and County Clerks offices in Illinois

Historical Financial Performance

	Audited			Annualized
FISCAL YEAR	2022	2023	2024	2025
Revenue				
Total 4845 - LIBRARY ADMINISTRATION	8,354,320	8,873,729	9,594,398	9,858,704
Expenses				0.7310
Total Employee Expenses	5,447,077	5,814,820	6,422,861	7,224,659
Total Administrative Expenses	676,913	627,755	745,504	881,241
Total Utilities	121,401	113,320	113,321	125,882
Total Materials and Programs	811,155	831,843	1,126,326	1,258,081
Total Intergovernmental and Other	-	8,596	2,531	-
Total Expenses	7,863,331	8,057,563	8,818,438	9,883,581
Net Income	490,989	816,166	775,960	(24,877)
Ending General Fund Balance	4,010,606	4,826,771	5,602,731	4,884,290
Fund Balance as a % of Expenses	51%	60%	64%	49.4%
Capital Improvement Fund Balance	704,389	(488,514)	(693,564)	(0)

Tax Caps Change How a District Library Levies

- Work from prior tax extension – not exact, but awful close

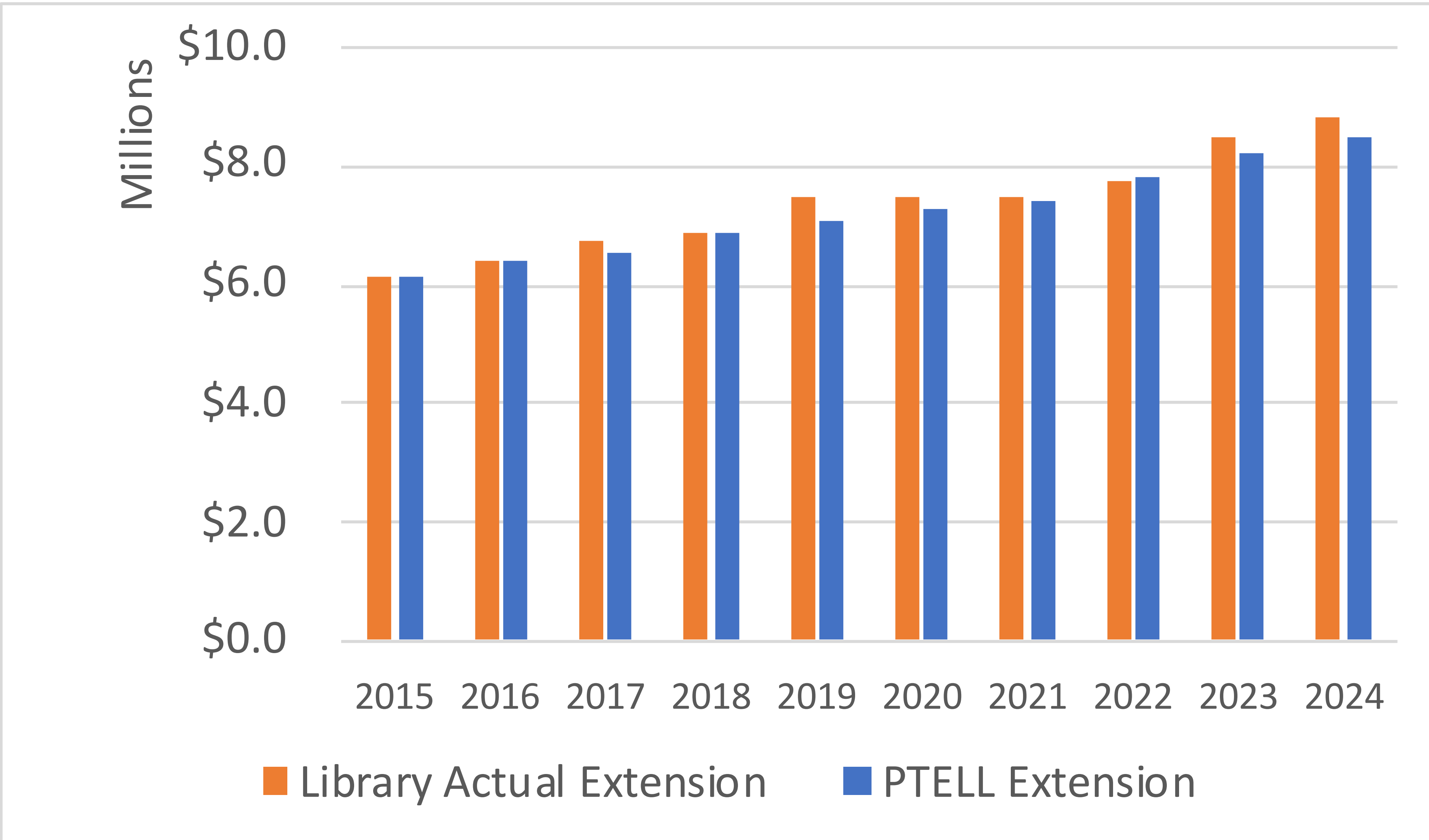
Prior Year EXTENSION	$8,467,695	
X	X	
(1+CPI)*	(1.034)	*CPI for 2025 is 2.9%
+	+	
Tax on New Property	$10 million x 0.00221 (.25%)	= $8.778 million

- Notice that each year's extension becomes the base for the next year's limitation
  - Capture new construction, TIFs and Abatements
- Because of the ability to increase the levy by more than 5%, a Truth in Taxation Hearing will be required to do so

In general, taxing bodies levy the full amount to which they are entitled. Under tax caps, you permanently lose forever any levying ability you don't use.

**Although CPI was 7.5% this year, the law caps the increase at 5.0%.

The Library Has Stayed Close to Capped Increases



Becoming a District Library Would Entail Taking on Significant Additional Expenses

Scenario Cost Assumptions

(Incremental Cost Above Assumed Inflation)

	Remain as City Library	District Scenarios		
		Minimal	Base	Optimal
Additional Positions (Human Resources, IT, Finance)	$95,827	$610,078	$610,078	$610,078
IT Software	26,290	87,100	137,100	187,100
Materials	63,400	133,015	209,460	293,412
Routine Building Maintenance	29,500	55,000	55,000	155,000
Liability Insurance	-	100,000	125,000	150,000
Consulting and Professional Services	10,000	50,000	75,000	150,000
Other	19,846	37,831	57,042	77,572
Payment to City	-	(350,000)	(350,000)	(350,000)
Total Additional Cost	$244,863	$723,024	$918,680	$1,273,162

These Are In Addition to Ordinary Annual Increases

Scenario Levy Requirements (Table is Cumulative)				
	Remain as City Library	District Scenarios (2026 Increase)		
		Minimal	Base	Optimal
Typically Anticipated Levy Increase	$628,708	$463,127	$463,127	$463,127
Incremental Levy Requirement	$244,863	$1,691,612	$1,897,418	$2,270,288
Total Levy Increase	$862,435	$2,154,739	$2,360,545	$2,733,415
Implied Levy Increase (%)	10.0%	25.0%	27.4%	31.7%
Tax Impact on a median Evanston Home ($472,300)	$29.91	$74.74	$81.88	$94.81

In Addition to Operating Costs, Significant Capital Costs Are Outstanding and Will Arise

- Current Capital Improvement Needs (Tax neutral)
  - Library Renovation: $21,000,000
  - Roof Repairs: $1,900,000
- Reserve for future capital needs estimated at $625,000 per year (tax neutral in the long run)
- Assumption of City debt issued for the Library (Tax neutral)

Foreseeable Future Library Costs As District

Scenario Levy Requirements (Table is Cumulative)				
	Remain as City Library	District Scenarios (2026 Increase)		
		Minimal	Base	Optimal
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Total Levy Increase	$862,435	$2,154,739	$2,360,545	$2,733,415
Implied Levy Increase (%)	10.0%	25.0%	27.4%	31.7%
Tax Impact on a median Evanston Home ($472,300)	$29.91	$74.74	$81.88	$94.81
Additional for Building Maintenance and Upkeep	$0	$625,000	$625,000	$625,000
Additional Levy Increase (%)	0.0%	7.2%	7.2%	7.2%
Cumulative Total Levy Increase (Total)	10.0%	32.2%	34.6%	38.9%
Additional tax impact on a median Evanston home ($472,000)	$0.00	$21.68	$21.68	$21.68
Cumulative Impact on a median home	**$29.91**	**$96.41**	**$103.55**	**$116.49**
Additional for Assumption of Debt		$600,000	$600,000	$600,000
Additional Levy Increase		7.0%	7.0%	7.0%
Cumulative Total Levy Increase (Total)	10.0%	39.2%	41.6%	45.9%
Additional tax impact on a median Evanston home ($472,000)*	$0.00	$0.00	$0.00	$0.00
Cumulative Impact on a median home	$29.91	$96.41	$103.55	$116.49
Additional for Library Renovation and Roof	$1,798,806	$1,798,806	$1,798,806	$1,798,806
Additional Levy Increase	20.9%	20.9%	20.9%	20.9%
Cumulative Total Levy Increase (Total)	30.9%	60.0%	62.4%	66.8%
Additional tax impact on a median Evanston home ($472,000)	$62.39	$62.39	$62.39	$62.39
Cumulative Impact on a median home	**$92.30**	**$158.81**	**$165.94**	**$178.88**

*Transfer of cost from City to Library, no additional homeowner impact

QUESTIONS:

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