CITY OF EVANSTON

2004-2005 BUDGET MEMO REQUESTS 10—21

CITY OF EVANSTON

2100 Ridge Avenue
Evanston, Illinois 60201

Phone: 847-328-2100
Website: www.cityofevanston.org

FY 2004/05

Budget Memo Requests - Continued

10. Transfer of TIF Funds and Eligible Expenses
11. State mandated Racial Profiling – Police Department
12. Gas Use Tax proposed increase.
13. Real Estate Transfer Tax Revenue.
14. New Position in Parking Fund.
15. Property Tax Levy – Policy Discussion.
16. Explanation of General Fund Expenditures.
17. Sister Cities Funding.
18. Parking Ticket Fine Revenue.
19. Fund Transfer Summary & Comparison.
20. Dues Paid to Northwest Municipal Conference, National League of Cities, U.S. Conference of Mayors.
21. Economic Development Expenditures.

City of Evanston

Interdepartmental
Memorandum

To:	Roger Crum, City Manager
From:	Judy Aiello, Asst. City Manager, Bill Stafford, Finance Director
Subject:	Budget Memo # 10 - TIF Fund Uses and Transfers
Date:	February 5, 2004

ISSUE

The Council requested staff to analyze the use and possible increase of transfers from the TIF districts to the General Fund. As part of that analysis information was requested on the policies or legal issues related to reimbursement to other taxing districts and how additional transfers may affect the standing of those policies.

ANALYSIS

The TIF state guidelines on "redevelopment project costs" are detailed and somewhat limited. Attached is most of the detailed (Attachment A) TIF cost guidelines.

The City has been judicious in its use of TIF funds for non-bond obligations. Obviously, our first obligation is to the bond holder so adequate fund must be kept in reserve in the event some of the big boxes uses become vacant. The projected TIF transfers to the General Fund for FY 2005 are as follows:

Southwest TIF (Sam's Club)	$ 20,600
Howard Hartrey TIF	103,000
Washington National TIF	133,900
Downtown II TIF	257,500

There is a minimum basic charge to the TIF's for administrative items such as accounting, annual financial and TIF reporting, and legal costs associated with TIF related items. Staff in the City Manager's office and the Building Division is partially charged off to the TIF's. In both the Howard Hartrey and Downtown II TIF's there are additional police costs associated with the districts that the City is being reimbursed for that would not have been incurred had it not been for the TIF. The City also provides funding to the two school districts for job training and career development activities they conduct from the Southwest TIF.

This year's proposed budget increased each TIF transfer to the General Fund by only 3% for cost of living. Those TIF's that could most legitimately increase their contributions (and are financially able) to the General Fund are the Downtown II and Howard Hartrey TIF's. The City is in the process of increasing its police presence in both TIF's due to the congestion and related safety issues that have emerged due to the continued success of these TIF's. A weekend evening patrol is being added to the Downtown II TIF because of all the added traffic and congestion at an estimated cost of $40,000. Reasonable increases in these transfers to the General Fund could be as follows below.

TIF Fund	FY 2005 Proposed	FY 2005 Proposed Increased
Downtown II	$ 257,500	$ 300,000
Howard Hartrey	$ 103,000	$ 125,000

This would be a total increase of $64,500.

Attachment A - Per Budget Memo #10

(q) "Redevelopment project costs" mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs include, without limitation, the following:

(1) Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;

(1.5) After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;

(1.6) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;

(2) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

(3) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the

site for private investment or devoted to a different use requiring private investment;

(4) Costs of the construction of public works or improvements, except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

(5) Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;

(6) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

(7) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.

(7.5) For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:

(A) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than $5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than $5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than $5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than $5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(C) For any school district in a municipality with a population in excess of 1,000,000, the following restrictions shall apply to the reimbursement of increased costs under this paragraph (7.5):

(i) no increased costs shall be reimbursed unless the school district certifies that each of the schools affected by the assisted housing project is at or over its student capacity;

(ii) the amount reimburseable shall be reduced by the value of any land donated to the school district by the municipality or developer, and by the value of any physical improvements made to the schools by the municipality or developer; and

(iii) the amount reimbursed may not affect amounts otherwise obligated by the terms of any bonds, notes, or other funding instruments, or the terms of any redevelopment agreement.

Any school district seeking payment under this paragraph (7.5) shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.5). By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

(8) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n);

(9) Payment in lieu of taxes;

(10) Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

(11) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

(A) such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;

(B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;

(C) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

(D) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act; and

(E) the cost limits set forth in subparagraphs

(B) and (D) of paragraph (11) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D) of paragraph (11).

(F) Instead of the eligible costs provided by subparagraphs (B) and (D) of paragraph (11), as modified by this subparagraph, and notwithstanding any other provisions of this Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under this Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing.

The eligible costs provided under this subparagraph (F) of paragraph (11) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F) of paragraph (11). The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

(11.5) If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county, or regional median income are determined from time to time by the United States Department of Housing and Urban Development.

(12) Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

(13) After November 1, 1999 (the effective date of Public Act 91-478), none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by this Act.

(r) "State Sales Tax Boundary" means the redevelopment project area or the amended redevelopment project area boundaries which are determined pursuant to subsection (9) of Section 11-74.4-8a of this Act. The Department of Revenue shall certify pursuant to subsection (9) of Section 11-74.4-8a the appropriate boundaries eligible for the determination of State Sales Tax Increment.

CITY OF EVANSTON
INTERDEPARTMENTAL MEMORANDUM

February 4, 2004

To: Roger Crum, City Manager

From: Frank Kaminski, Chief of Police

Subject: **BUDGET MEMO #11**

On January 1, 2004, Public Act 093-0209 became law, which requires all law enforcement agencies in the State of Illinois to collect data on all traffic stops for violations of the Illinois Vehicle Code. The purpose of this legislation is to establish a four-year statewide study of traffic stops to collect data to identify if there are patterns of biased based policing. The Illinois Department of Transportation is responsible for collecting and compiling the data from each individual police agency. A copy of the law and a recent Highlights article are attached for your review.

Even though each police department is required to comply with the law, the State did <u>not</u> provide any funding to police agencies to implement the law. Therefore, the costs of developing forms and inputting the data are solely the responsibility of each agency. Each agency is then responsible to get the data transmitted to the Department of Transportation, in the format they've established.

This law has effected the overall police operation. The costs are significant. We have paid for the development and copying of the data collection forms which will be an ongoing cost. The most significant cost relates to the data input. The Records Bureau is already fairly thin and adding a substantial amount of work requires more people. In the 2004 Budget, we've asked for at least one part-time position. In reference to police activity, traffic stops will take longer due to the extra paperwork. We estimate about 35 minutes. However, once the learning curve is over, it should not be that significant.

The Department has taken a number of steps to insure an easy transition for this process. We are currently in compliance, and the process is going smoothly.

Frank Kaminski
Chief of Police

FK/srd
Attachments

The Evanston Police and Community
Partnership
Working Together

Seniors On Safety

File of Life cards available

Evanstonians ages 60 and better can receive free File of Life medical emergency information cards from the Police Department's Senior Crime Prevention Specialist.

File of Life cards save time and lives by giving important medical information to family members and emergency workers, such as police, paramedics and firefighters when seniors are ill or injured and cannot provide the information themselves.

After receiving their cards, seniors and family members can fill them out with information such as current medical conditions, doctors' names, medications, preferred hospital, etc.

File of Life comes with a magnetized plastic pocket that adheres to refrigerators where emergency workers can find it quickly. Should medical data change, keep the pocket, request a new card and update the information.

File of Life is also available in a bilingual version in Spanish/English.

To receive your File of Life packet, call Amanda Jones, Senior Crime Prevention Specialist at (847) 866-5010, ext. 4117. Please leave your name, address and telephone number.

State mandates police to collect extra information during traffic stops

Beginning January 1, 2004, traffic stops in Illinois will take a few minutes longer.

Recent legislation aimed at identifying patterns of bias-based policing in Illinois traffic enforcement takes effect. The new law mandates that, for every alleged violation of the Illinois Vehicle Code, Law Enforcement officers will collect data to include: name, address, gender, race, the alleged traffic violation that led to the stop, make and year of the car, date and time of the stop, the location of the traffic stop, name and badge number of the officer, and whether or not a search of the vehicle, driver or passenger was conducted.

The new law mandates that, for every traffic stop, law enforcement officers must collect extra data that will ultimately be forwarded to the Illinois Department of Transporation for analysis.

The collected data will be forwarded to the Illinois Department of Transportation (IDOT) for analysis over the next four years.

A recent Gallop poll indicates that more than 60 percent of Americans believe bias-based policing exists.

"Whether or not that's a perception based in 'truth' remains to be seen," says Chief of Police Frank Kaminski. "I believe our officers conduct themselves with a high degree of professionalism; however, there is always room for improvement."

Illinois is the 14th state to enact legislation aimed at preventing bias-based policing, which puts the state in the forefront of a rapidly-expanding national effort aimed at understanding this complex issue.

"This new legislation provides law enforcement with yet another tool for self-evaluation," observed Chief Kaminski.

The new law poses challenges for Illinois' law enforcement agencies.The Evanston Police Department believes the new legislation offers an opportunity to build community trust and enhance traffic enforcement.

The Department is committed to "stay ahead of the curve" in implementing the new legislation.

Community information sessions and in-house training of officers will be conducted by the Department.

Volunteers to be trained in emergency response

Fifteen Citizen Police Academy graduates have been selected to become the first members of the brand-new Community Emergency Response Team (CERT).

Funded by a grant from the Federal Emergency Management Agency (FEMA), Evanston's Community Emergency Response Team (CERT) program will train volunteers to be better prepared to respond to emergency situations.

The members will work to complete a a 20-hour training course to give critical support to first responders, provide immediate assistance to victims and organize spontaneous volunteers at a disaster site.

After completing the course, CERT members can also help with non-emergency projects that improve the safety of the community.

CERT
COMMUNITY EMERGENCY RESPONSE TEAM

Course contents include disaster preparedness, basic disaster operations, fire safety, light search and rescue and other essential topics.

Only Citizen Police Academy graduates are eligible to participate in the City's new volunteer Citizen Corps. To sign up for the March 2004 Citizens Police Academy, call (847) 866-5019.

Public Act 93-0209

SB30 Enrolled LRB093 03751 DRJ 03785 b

AN ACT concerning law enforcement, amending named Acts.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 3. The Freedom of Information Act is amended by changing Section 7 as follows:

(5 ILCS 140/7) (from Ch. 116, par. 207)

Sec. 7. Exemptions.

(1) The following shall be exempt from inspection and copying:

(a) Information specifically prohibited from disclosure by federal or State law or rules and regulations adopted under federal or State law.

(b) Information that, if disclosed, would constitute a clearly unwarranted invasion of personal privacy, unless the disclosure is consented to in writing by the individual subjects of the information. The disclosure of information that bears on the public duties of public employees and officials shall not be considered an invasion of personal privacy. Information exempted under this subsection (b) shall include but is not limited to:

(i) files and personal information maintained with respect to clients, patients, residents, students or other individuals receiving social, medical, educational, vocational, financial, supervisory or custodial care or services directly or indirectly from federal agencies or public bodies;

(ii) personnel files and personal information maintained with respect to employees, appointees or elected officials of any public body or applicants for those positions;

(iii) files and personal information maintained with respect to any applicant, registrant or licensee by any public body cooperating with or engaged in professional or occupational registration, licensure or discipline;

(iv) information required of any taxpayer in connection with the assessment or collection of any tax unless disclosure is otherwise required by State statute; and

(v) information revealing the identity of persons who file complaints with or provide information to administrative, investigative, law enforcement or penal agencies; provided, however, that identification of witnesses to traffic accidents, traffic accident reports, and rescue reports may be provided by agencies of local government, except in a case for which a criminal investigation is ongoing, without constituting a clearly unwarranted per se invasion of personal privacy under this subsection.

(c) Records compiled by any public body for administrative enforcement proceedings and any law enforcement or correctional agency for law enforcement purposes or for internal matters of a public body, but only to the extent that disclosure would:

(i) interfere with pending or actually and reasonably contemplated law enforcement proceedings conducted by any law enforcement or correctional agency;

(ii) interfere with pending administrative enforcement proceedings conducted by any public body;

(iii) deprive a person of a fair trial or an impartial hearing;

(iv) unavoidably disclose the identity of a confidential source or confidential information furnished only by the confidential source;

(v) disclose unique or specialized investigative techniques other than those generally used and known or disclose internal documents of correctional agencies related to detection, observation or investigation of incidents of crime or misconduct;

(vi) constitute an invasion of personal privacy under subsection (b) of this Section;

(vii) endanger the life or physical safety of law enforcement personnel or any other person; or

(viii) obstruct an ongoing criminal investigation.

(d) Criminal history record information maintained by State or local criminal justice agencies, except the following which shall be open for public inspection and copying:

(i) chronologically maintained arrest information, such as traditional arrest logs or blotters;

(ii) the name of a person in the custody of a law enforcement agency and the charges for which that person is being held;

(iii) court records that are public;

(iv) records that are otherwise available under State or local law; or

(v) records in which the requesting party is the individual identified, except as provided under part (vii) of paragraph (c) of subsection (1) of this Section.

"Criminal history record information" means data identifiable to an individual and consisting of descriptions or notations of arrests, detentions, indictments, informations, pre-trial proceedings, trials, or other formal events in the criminal justice system or descriptions or notations of criminal charges (including criminal violations of local municipal ordinances) and the nature of any disposition arising therefrom, including sentencing, court or correctional supervision, rehabilitation and release. The term does not apply to statistical records and reports in which individuals are not identified and from which their identities are not ascertainable, or to information that is for criminal investigative or intelligence purposes.

(e) Records that relate to or affect the security of correctional institutions and detention facilities.

(f) Preliminary drafts, notes, recommendations, memoranda and other records in which opinions are expressed, or policies or actions are formulated, except that a specific record or relevant portion of a record shall not be exempt when the record is publicly cited and identified by the head of the public body. The exemption provided in this paragraph (f) extends to all those records of officers and agencies of the General Assembly that pertain to the preparation of legislative documents.

(g) Trade secrets and commercial or financial information obtained from a person or business where the trade secrets or information are proprietary, privileged or confidential, or where disclosure of the trade secrets or information may cause competitive harm, including all information determined to be confidential under Section 4002 of the Technology Advancement and Development Act. Nothing contained in this paragraph (g) shall be construed to prevent a person or business from consenting to disclosure.

(h) Proposals and bids for any contract, grant, or agreement, including information which if it were disclosed would frustrate procurement or give an advantage to any person proposing to enter into a contractor agreement with the body, until an award or final selection is made. Information prepared by or for the body in preparation of a bid solicitation shall be exempt until an award or final selection is made.

(i) Valuable formulae, computer geographic systems, designs, drawings and research data obtained or produced by any public body when disclosure could reasonably be expected to produce private gain or public loss.

(j) Test questions, scoring keys and other examination data used to administer an academic examination or determined the qualifications of an applicant for a license or employment.

(k) Architects' plans and engineers' technical submissions for projects not constructed or developed in whole or in part with public funds and for projects constructed or developed with public funds, to the extent that disclosure would compromise security.

(l) Library circulation and order records identifying library users with specific materials.

(m) Minutes of meetings of public bodies closed to the public as provided in the Open Meetings Act until the public body makes the minutes available to the public under Section 2.06 of the Open Meetings Act.

(n) Communications between a public body and an attorney or auditor representing the public body that would not be subject to discovery in litigation, and materials prepared or compiled by or for a public body in anticipation of a criminal, civil or administrative proceeding upon the request of an attorney advising the public body, and materials prepared or compiled with respect to internal audits of public bodies.

(o) Information received by a primary or secondary school, college or university under its procedures for the evaluation of faculty members by their academic peers.

(p) Administrative or technical information associated with automated data processing operations, including but not limited to software, operating protocols, computer program abstracts, file layouts, source listings, object modules, load modules, user guides, documentation pertaining to all logical and physical design of computerized systems, employee manuals, and any other information that, if disclosed, would jeopardize the security of the system or its data or the security of materials exempt under this Section.

(q) Documents or materials relating to collective negotiating matters between public bodies and their employees or representatives, except that any final contract or agreement shall be subject to inspection and copying.

(r) Drafts, notes, recommendations and memoranda pertaining to the financing and marketing transactions of the public body. The records of ownership, registration, transfer, and exchange of municipal debt obligations, and of persons to whom payment with respect to these obligations is made.

(s) The records, documents and information relating to real estate purchase negotiations until those negotiations have been completed or otherwise terminated. With regard to a parcel involved in a pending or actually and reasonably contemplated eminent domain proceeding under Article VII of the Code of Civil Procedure, records, documents and information relating to that parcel shall be exempt except as may be allowed under discovery rules adopted by the Illinois Supreme Court. The records, documents and information relating to a real estate sale shall be exempt until a sale is consummated.

(t) Any and all proprietary information and records related to the operation of an intergovernmental risk management association or self-insurance pool or jointly self-administered health and accident cooperative or pool.

(u) Information concerning a university's adjudication of student or employee grievance or disciplinary cases, to the extent that disclosure would reveal the identity of the student or employee and information concerning any public body's adjudication of student or employee grievances or disciplinary cases, except for the final outcome of the cases.

(v) Course materials or research materials used by faculty members.

(w) Information related solely to the internal personnel rules and practices of a public body.

(x) Information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of a public body responsible for the regulation or supervision of financial institutions or insurance companies, unless disclosure is otherwise required by State law.

(y) Information the disclosure of which is restricted under Section 5-108 of the Public Utilities Act.

(z) Manuals or instruction to staff that relate to establishment or collection of liability for any State tax or that relate to investigations by a public body to determine violation of any criminal law.

(aa) Applications, related documents, and medical records received by the Experimental Organ Transplantation Procedures Board and any and all documents or other records prepared by the Experimental Organ Transplantation Procedures Board or its staff relating to applications it has received.

(bb) Insurance or self insurance (including any intergovernmental risk management association or self insurance pool) claims, loss or risk management information, records, data, advice or communications.

(cc) Information and records held by the Department of Public Health and its authorized representatives relating to known or suspected cases of sexually transmissible disease or any information the disclosure of which is restricted under the Illinois Sexually Transmissible Disease Control Act.

(dd) Information the disclosure of which is exempted under Section 30 of the Radon Industry Licensing Act.

(ee) Firm performance evaluations under Section 55 of the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act.

(ff) Security portions of system safety program plans, investigation reports, surveys, schedules, lists, data, or information compiled, collected, or prepared by or for the Regional Transportation Authority under Section 2.11 of the Regional Transportation Authority Act or the St. Clair County Transit District under the Bi-State Transit Safety Act.

(gg) Information the disclosure of which is restricted and exempted under Section 50 of the Illinois Prepaid Tuition Act.

(hh) Information the disclosure of which is exempted under Section 80 of the State Gift Ban Act.

(ii) Beginning July 1, 1999, information that would disclose or might lead to the disclosure of secret or confidential information, codes, algorithms, programs, or private keys intended to be used to create electronic or digital signatures under the Electronic Commerce Security Act.

(jj) Information contained in a local emergency energy plan submitted to a municipality in accordance with a local emergency energy plan ordinance that is adopted under Section 11-21.5-5 of the Illinois Municipal Code.

(kk) Information and data concerning the distribution of surcharge moneys collected and remitted by wireless carriers under the Wireless Emergency Telephone Safety Act.

<u>(ll) Law enforcement officer identification information or driver identification information compiled by a law enforcement agency or the Department of Transportation under Section 11-212 of the Illinois Vehicle Code.</u>

(2) This Section does not authorize withholding of information or limit the availability of records to the public, except as stated in this Section or otherwise provided in this Act.

(Source: P.A. 91-137, eff. 7-16-99; 91-357, eff. 7-29-99;

91-660, eff. 12-22-99; 92-16, eff. 6-28-01; 92-241, eff. 8-3-01; 92-281, eff. 8-7-01; 92-645, eff. 7-11-02; 92-651, eff. 7-11-02.)

Section 5. The Department of State Police Law within the Civil Administrative Code of Illinois is amended by adding Section 2605-85 as follows:

(20 ILCS 2605/2605-85 new)
<u>Sec. 2605-85. Training; cultural diversity. The Department shall provide training and continuing education to State Police officers concerning cultural diversity, including sensitivity toward racial and ethnic differences. This training and continuing education shall include, but not be limited to, an emphasis on the fact that the primary purpose of enforcement of the Illinois Vehicle Code is safety and equal and uniform enforcement under the law.</u>

Section 7. The State Mandates Act is amended by adding Section 8.27 as follows:

(30 ILCS 805/8.27 new)
<u>Sec. 8.27. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 93rd General Assembly.</u>

Section 10. The Illinois Police Training Act is amended by changing Section 7 as follows:

(50 ILCS 705/7) (from Ch. 85, par. 507)
Sec. 7. Rules and standards for schools. The Board shall adopt rules and minimum standards for such schools which shall include but not be limited to the following:
a. The curriculum for probationary police officers which shall be offered by all certified schools shall include but not be limited to courses of arrest, search and seizure, civil rights, human relations<u>, cultural diversity, including racial and ethnic sensitivity</u>, criminal law, law of criminal procedure, vehicle and traffic law <u>including uniform and non-discriminatory enforcement of the Illinois Vehicle Code</u>, traffic control and accident investigation, techniques of obtaining physical evidence, court testimonies, statements, reports, firearms training, first-aid (including cardiopulmonary resuscitation), handling of juvenile offenders, recognition of mental conditions which require immediate assistance and methods to safeguard and provide assistance to a person in need of mental treatment, law of evidence, the hazards of high-speed police vehicle chases with an emphasis on alternatives to the high-speed chase, and physical training. The curriculum shall include specific training in techniques for immediate response to and investigation of cases of domestic violence and of sexual assault of adults and children. The curriculum for permanent police officers shall include but not be limited to (1) refresher and in-service training in any of the courses listed above in this subparagraph, (2) advanced courses in any of the subjects listed above in this subparagraph, (3) training for supervisory personnel, and (4) specialized training in subjects and fields to be selected by the board.

b. Minimum courses of study, attendance requirements and equipment requirements.

c. Minimum requirements for instructors.

d. Minimum basic training requirements, which a probationary police officer must satisfactorily complete before being eligible for permanent employment as a local law enforcement officer for a participating local governmental agency. Those requirements shall include training in first aid (including cardiopulmonary resuscitation).

e. Minimum basic training requirements, which a probationary county corrections officer must satisfactorily complete before being eligible for permanent employment as a county corrections officer for a participating local governmental agency.

f. Minimum basic training requirements which a probationary court security officer must satisfactorily complete before being eligible for permanent employment as a court security officer for a participating local governmental agency. The Board shall establish those training requirements which it considers appropriate for court security officers and shall certify schools to conduct that training.

A person hired to serve as a court security officer must obtain from the Board a certificate (i) attesting to his or her successful completion of the training course; (ii) attesting to his or her satisfactory completion of a training program of similar content and number of hours that has been found acceptable by the Board under the provisions of this Act; or (iii) attesting to the Board's determination that the training course is unnecessary because of the person's extensive prior law enforcement experience.

Individuals who currently serve as court security officers shall be deemed qualified to continue to serve in that capacity so long as they are certified as provided by this Act within 24 months of the effective date of this amendatory Act of 1996. Failure to be so certified, absent a waiver from the Board, shall cause the officer to forfeit his or her position.

All individuals hired as court security officers on or after the effective date of this amendatory Act of 1996 shall be certified within 12 months of the date of their hire, unless a waiver has been obtained by the Board, or they shall forfeit their positions.

The Sheriff's Merit Commission, if one exists, or the Sheriff's Office if there is no Sheriff's Merit Commission, shall maintain a list of all individuals who have filed applications to become court security officers and who meet the eligibility requirements established under this Act. Either the Sheriff's Merit Commission, or the Sheriff's Office if no Sheriff's Merit Commission exists, shall establish a schedule of reasonable intervals for verification of the applicants' qualifications under this Act and as established by the Board.

(Source: P.A. 88-661, eff. 1-1-95; 89-685, eff. 6-1-97; 89-707, eff. 6-1-97.)

Section 15. The Illinois Vehicle Code is amended by adding Section 11-212 as follows:

(625 ILCS 5/11-212 new)

Sec. 11-212. Traffic stop statistical study.

(a) From January 1, 2004 until December 31, 2007, whenever a State or local law enforcement officer issues a uniform traffic citation or warning citation for an alleged violation of the Illinois Vehicle Code, he or she shall record at least the following:

(1) the name, address, gender, and the officer's subjective determination of the race of the person stopped; the person's race shall be selected from the following list: Caucasian, African-American, Hispanic, Native American/Alaska Native, or Asian/Pacific Islander;

(2) the alleged traffic violation that led to the stop of the motorist;

(3) the make and year of the vehicle stopped;

(4) the date and time of the stop;

(5) the location of the traffic stop;

(6) whether or not a search contemporaneous to the stop was conducted of the vehicle, driver, passenger, or passengers; and, if so, whether it was with consent or by other means; and

(7) the name and badge number of the issuing officer.

(b) From January 1, 2004 until December 31, 2007, whenever a State or local law enforcement officer stops a motorist for an alleged violation of the Illinois Vehicle Code and does not issue a uniform traffic citation or warning citation for an alleged violation of the Illinois Vehicle Code, he or she shall complete a uniform stop card, which includes field contact cards, or any other existing form currently used by law enforcement containing information required pursuant to this Act, that records at least the following:

(1) the name, address, gender, and the officer's subjective determination of the race of the person stopped; the person's race shall be selected from the following list: Caucasian, African-American, Hispanic, Native American/Alaska Native, or Asian/Pacific Islander;

(2) the reason that led to the stop of the motorist;

(3) the make and year of the vehicle stopped;

(4) the date and time of the stop;

(5) the location of the traffic stop;

(6) whether or not a search contemporaneous to the stop was conducted of the vehicle, driver, passenger, or passengers; and, if so, whether it was with consent or by other means; and

(7) the name and badge number of the issuing officer.

(c) The Illinois Department of Transportation shall provide a standardized law enforcement data compilation form on its website.

(d) Every law enforcement agency shall, by March 1 in each of the years 2004, 2005, 2006, and 2007, compile the data described in subsections (a) and (b) on the standardized law enforcement data compilation form provided by the Illinois Department of Transportation and transmit the data to the Department.

(e) The Illinois Department of Transportation shall analyze the data provided by law enforcement agencies required by this Section and submit a report of the findings to the Governor, the General Assembly, and each law enforcement agency no later than July 1 in each of the years 2005, 2006, 2007, and 2008. The Illinois Department of Transportation may contract with an outside entity for the analysis of the data provided. In analyzing the data collected under this Section, the analyzing entity shall scrutinize the data for evidence of statistically significant aberrations. The following list, which is illustrative, and not exclusive, contains examples of areas in which statistically significant aberrations may be found:

(1) The percentage of minority drivers or passengers being stopped in a given area is substantially higher than the proportion of the overall population in or traveling through the area that the minority constitutes.

(2) A substantial number of false stops including stops not resulting in the issuance of a traffic ticket or the making of an arrest.

(3) A disparity between the proportion of citations issued to minorities and proportion of minorities in the population.

(4) A disparity among the officers of the same law enforcement agency with regard to the number of minority drivers or passengers being stopped in a given area.

(5) A disparity between the frequency of searches performed on minority drivers and the frequency of searches performed on non-minority drivers.

(f) Any law enforcement officer identification information or driver identification information that is compiled by any law enforcement agency or the Illinois Department of Transportation pursuant to this Act for the purposes of fulfilling the requirements of this Section shall be confidential and exempt from public inspection and copying, as provided under Section 7 of the Freedom of Information Act, and the information shall not be transmitted to anyone except as needed to comply with this Section. This Section shall not exempt those materials that, prior to the effective date of this amendatory Act of the 93rd General Assembly, were available under the Freedom of Information Act.

(g) Funding to implement this Section shall come from federal highway safety funds available to Illinois, as directed by the Governor.

(h) The Illinois Department of Transportation, in consultation with law enforcement agencies, officials, and organizations, including Illinois chiefs of police, the Department of State Police, the Illinois Sheriffs Association, and the Chicago Police Department, and community groups and other experts, shall undertake a study to determine the best use of technology to collect, compile, and analyze the traffic stop statistical study data required by this Section. The Department shall report its findings and recommendations to the Governor and the General Assembly by March 1, 2004.

Section 99. Effective date. This Act takes effect upon becoming law.

Effective Date: 7/18/2003

Floor Actions

Date	Action
7/18/2003	Public Act . . . .

City of Evanston

Interdepartmental Memorandum

To: Roger Crum, City Manager

From: Patrick Casey, Director of Management and Budget

Subject: Budget Memo # 12 – Effects of the Gas Use Tax Increase

Date: February 5, 2004

This memo provides information about which residents of Evanston will be affected by the Gas Use Tax increase and attempts to attach numeric value to those affects. Additionally, all previous information provided to the A&PW Committee is attached.

The chart below shows the results of the tax increase as dollar amounts broken out by consumer sector. The only customers that will see a tax increase are those who purchase gas from a broker at wholesale.

.025/therm and 5% gross receipts							Effects of Proposed Tax			
							avg tax per therm		% total therms	% total tax revenue
Residential - 21,505		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change	current	proposed		
	NICOR	25,269,197	$15,408,227	$ 770,411	$ 770,411	$ -	0.030	0.030	34%	36%
	Broker	925,352	$ 92,572	$ 13,156	$ 27,068	$ 13,913	0.014	0.029	1%	1%
Commercial - 2,164		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change				
	NICOR	9,031,204	$ 5,522,636	$ 276,132	$ 276,132	$ -	0.031	0.031	12%	13%
	Broker	38,062,793	$ 2,040,813	$ 452,789	$ 1,025,063	$ 572,274	0.012	0.027	51%	48%
Industrial - 39		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change				
	NICOR	368,622	$ 210,389	$ 10,519	$ 10,519	$ -	0.029	0.029	0%	0%
	Broker	1,185,954	$ 91,375	$ 15,497	$ 33,328	$ 17,831	0.013	0.028	2%	2%
TOTALS		74,843,122	$23,366,012	$ 1,538,505	$ 2,142,522	$ 604,018				

Residential- Residential customers represent single family housing that is either individually metered, or contains four (4) or fewer separate dwelling units.

Commercial- "Residential customers" may be considered commercial if more than four (4) dwelling units are in the building and natural gas is used to heat shared space (i.e. hallways or shared rooms). Other commercial customers are placed in this category based on the businesses Standard Industry Classification code provided by the Bureau of Labor Statistics.

Industrial- Industrial customers are separated from Commercial by their Standard Industry Classification code provided by the Bureau of Labor Statistics.

Effects for Residential Consumers:

The chart shows that only $13,913 of the increase will come from Residential Consumers – about 2% of the total increase. Assuming that most residential consumers use about the same amount of gas each year, we can estimate that about 760 residential customers purchase from a broker. Further we can estimate that on average, their yearly increase will be $18.30 per household. NOTE: this estimate assumes equal usage…any customer that uses greater than 1218 therms per year will increase more than $18.30 annually. Any using less will increase less than that. Average national usage is 864 therms per year.

Effects for Commercial Consumers:

The chart shows that 95% of increased revenue ($572,274) will come from the commercial sector. Of that total, about $200,000 will come from Northwestern (as referenced by Vice President of Business and Finance Eugene Sunshine in the attached article). That is one consumer out of 2,164 commercial customers bearing 35% of the increase. Thus, $372,274 of the increase is spread between any brokered customers remaining among the 2,163 commercial consumers.

Condo Associations: There is no way to provide detailed per-property or per-association data without the gas bills. Information regarding usage and billing is confidential and cannot be obtained from NICOR or any gas supplier, only from the customer.

Usage cannot be accurately estimated without specific use information, but the following represents a very loose average of the possible increased tax by consumer:

Assuming that NU represents 35% of supply side gas usage (based on Mr. Sunshine's statement), staff estimates that:

584 NICOR customers consume 9,031,204 therms per year
1579 supply customers consume 24,740,822 therms per year

The non-NU increase of $372,274, spread evenly across 1579 supply customers, would suggest an average increase of $235.80/year for each commercial supply customer. This basic estimate assumes equal usage which we know is not true. We can assume, though, that the per-unit residential estimate of $18.30 would also apply to condo units that qualify as commercial gas consumers. All individual dwelling units, whether in a condo, apartment building, or single family home should realize, on average, an increase of approximately $18.30 per year.

Effects for Industrial Consumers:

The chart shows that $17,831 of the increase will come from industrial customers, or 3%. This is based on the usage of 39 industrial consumers.

Overall:

- The increase for an individual user, purchasing wholesale, will depend on the individual's bill. Higher gas use will cause a higher tax to be paid.
- This tax does not affect any customer's ability to save by purchasing gas at wholesale; it just affects their ability to avoid taxation.
- The tax does not affect the price of gas; it just increases the rate of the tax.
- This tax will increase revenue for the City.
- The revenue is ongoing.
- The $.025 per therm tax is generally equal or less than a 5% of gross sales tax.

CITYWATCH: Proposed gas tax puts city's burden on NU's shoulders

By Andy Nelson
January 07, 2004

Northwestern is always the 800-pound gorilla in the corner of the Evanston City Council chambers during budget season. Many aldermen seem to think that if they get rid of the gorilla, their problems would be solved.

This year they could try to gas him.

Evanston has reason to be jealous of NU's money -- and probably always will -- because the university's charter from the state exempts it from paying property taxes. Aldermen and activists have said for years that the university ought to pay its fair share for the city services students and staff enjoy. NU argues its nonprofit status and contribution to the economy more than justify the exemption.

No matter who's right, it's hard for aldermen to turn down a roundabout chance to tax the university when programs are on the cutting board. This year that chance is a proposed change in taxes on natural gas.

Right now NU -- as well as many businesses and some homeowners -- avoid a significant chunk of taxes by purchasing gas from out-of-state brokers instead of the city's official provider, Nicor, Inc. Non-Nicor users avoid the city's gas-utility tax but pay their brokers more for gas in the first place. The city estimates that if the gas-utility tax was applied to everyone, it could generate an extra $600,000 in revenue.

The city first considered the proposal in October but gave up after businesses objected. Now the idea has resurfaced in City Manager Roger Crum's proposed budget. He said that although the city could use the money, the fundamental issue is fairness: Though single-family homeowners can switch from Nicor, businesses currently get most of the tax break.

"We don't hide the fact that it does raise money," Crum said. "But it is equitable in our opinion."

Northwestern, one of the city's largest users of natural gas from brokers, would be affected in kind. Eugene Sunshine, senior vice president of business and finance, said $100,000 to $200,000 of the revenue generated by the tax would probably come from the university.

Last year's attempt to wring money from the university, a proposed hike in fees on rooming house licenses, would have affected students directly through increased housing costs and expenses for fraternities and sororities. Sunshine said though NU could absorb the cost of a gas tax, it could hurt students, too.

"Money is money and the university has a number of different pots from which expenditures can be made," he said.

He also pointed out that local businesses would still pay a majority of the tax.

"We're the tail, not the dog, on this one," he said.

Sunshine said NU is still considering how to handle the proposal.

Although Crum said the proposed increase was not meant to target the university, its potential impact cannot be ignored. The city is doing the right thing in trying to defend single-family homeowners, but there is no need to pit them against NU. By delaying this proposal until budget season, when the university's money is on everybody's mind, that conflict seems almost inevitable.

In October the gas tax proposal was a technicality, and for most residents, only principles were at stake. Now it will be portrayed as a way to break NU's coffers and save city programs in a time of crisis.

That's unfair. Whether they should pay more in gas taxes or not, the university did not cause Evanston's budget problems. If homeowners want to pay less in taxes, they should show up at budget meetings and oppose the vocal minorities that present the council from cutting a single program from their budget every year. Those meetings start this Saturday.

The gorilla will still be there -- but remember, he's not the one who cashes the tax checks.

Andy Nelson is a Medill sophomore. He can be reached at anelson@northwestern.edu

Interdepartmental
Memorandum

To: Roger Crum, City Manager

From: Patrick Casey, Management and Budget Director; Bill Stafford, Finance Director; Alison Zelms, Management Analyst

Subject: Analysis of various rate changes to the Home Rule Natural Gas Use Tax

Date: September 29, 2003

As discussed in the September 17, 2003 Budget Committee Meeting, the tax structure currently imposed on natural gas consumption in Evanston is inequitable between residential consumers and commercial/industrial consumers. This memo outlines the current tax structure and proposes a new structure that will help to equalize the tax burden throughout the Evanston population.

CURRENT TAX STRUCTURE

Since deregulation went into effect for Natural Gas in Illinois (January 1, 1993) customers have been moving from franchised providers to brokered options for their gas services. The commercial and industrial sectors have moved to brokered deals at a disproportionately high rate from the residential customers. Thus, residential customers currently consume only 35% of natural gas, but pay over 50% of the taxes collected for natural gas use. The current tax structure in Evanston has not been changed to reflect the effects of deregulation and creates inequity in taxation between business and residential consumers, causing an unfairly high portion of the burden to be placed on the residential sector.

PROPOSED TAX CHANGES

None of the proposed changes will impose a fee increase for any current NICOR customers. These consumers will continue to pay the City's Natural Gas Utility Tax, which is based on the total charge for their gas use, set at 5% of their total bill from NICOR. The changes will, instead recapture tax dollars from natural gas consumers that have avoided tax payments by purchasing gas through a brokerage company. These customers currently pay 5% of their total bill from NICOR (which is only a small distribution charge) as well as the Home Rule Natural Gas Use Tax based on the amount of natural gas they consume (not price), set at $0.0095 per therm used.

Two options for a change in the tax rate for the Home Rule Natural Gas Use Tax are listed below. These options were calculated using real usage/pricing data for the twelve months between April '02 and March '03. The rates used for calculation were chosen with the intent to equalize the tax payments made by NICOR users and brokerage users. A description of both options and their effects follow.

OPTION #1 - .03/therm and 5% gross receipts

Raising the .95¢/therm Use Tax to 3.0¢/therm would serve to not only equalize the rate of taxation for natural gas, but also recapture some of the taxes lost during the years the current tax structure has been in place. The chart below shows that this structure will better match the taxes paid to the amount used by sector.

.03/therm and 5% gross receipts							Effects of Proposed Tax			
							avg cost per therm		% therms used	% total tax revenue
Residential		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change	current	proposed		
	NICOR	25,269,197	$ 15,408,227	$ 770,411	$ 770,411	$ -	0.030	0.030	34%	33%
	Broker	925,352	$ 92,572	$ 13,156	$ 31,556	$ 18,401	0.014	0.034	1%	1%
Commercial		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change				
	NICOR	9,031,204	$ 5,522,636	$ 276,132	$ 276,132	$ -	0.031	0.031	12%	12%
	Broker	38,062,793	$ 2,040,813	$ 452,789	$ 1,209,668	$ 756,879	0.012	0.032	51%	52%
Industrial		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change				
	NICOR	368,622	$ 210,389	$ 10,519	$ 10,519	$ -	0.029	0.029	0%	0%
	Broker	1,185,954	$ 91,375	$ 15,497	$ 39,080	$ 23,583	0.013	0.033	2%	2%
TOTALS		74,843,122	$ 23,366,012	$ 1,538,505	$ 2,337,367	$ 798,862				

** Proposed Revenue is based on a 5% of gross receipts tax for NICOR customers, and a 3.0¢ per therm tax in addition to 5% of gross receipts on distribution charges for customers who purchase Natural Gas through a brokerage.

OPTION #2 - .028/therm and 5% gross receipts

Raising the .95¢/therm Use Tax to 2.8¢/therm would almost equalize the rate of taxation for natural gas, but the brokered consumers in the commercial sector would still pay a slightly smaller portion of their share of the tax. This option would also allow the City to recapture a small portion of the taxes that were lost during the years the current tax structure has been in place. The chart below shows that this structure will better match the taxes paid to the amount used by sector.

.028/therm and 5% gross receipts							Effects of Proposed Tax			
							avg cost per therm		% therms used	% total tax revenue
Residential		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change	current	proposed		
	NICOR	25,269,197	$ 15,408,227	$ 770,411	$ 770,411	$ -	0.030	0.030	34%	34%
	Broker	925,352	$ 92,572	$ 13,156	$ 29,761	$ 16,605	0.014	0.032	1%	1%
Commercial		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change				
	NICOR	9,031,204	$ 5,522,636	$ 276,132	$ 276,132	$ -	0.031	0.031	12%	12%
	Broker	38,062,793	$ 2,040,813	$ 452,789	$ 1,135,826	$ 683,037	0.012	0.030	51%	50%
Industrial		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change				
	NICOR	368,622	$ 210,389	$ 10,519	$ 10,519	$ -	0.029	0.029	0%	0%
	Broker	1,185,954	$ 91,375	$ 15,497	$ 36,779	$ 21,282	0.013	0.031	2%	2%
TOTALS		74,843,122	$ 23,366,012	$ 1,538,505	$ 2,259,429	$ 720,924				

** Proposed Revenue is based on a 5% of gross receipts tax for NICOR customers, and a 2.8¢ per therm tax in addition to 5% of gross receipts on distribution charges for customers who purchase Natural Gas through a brokerage.

RECOMMENDATION

Staff recommends adoption of Option #1, which proposes maintaining the current rate of 5% of gross receipts for the Natural Gas Utility Tax (applied to NICOR customers) and raising the rate of the Home Rule Use Tax from .95¢/therm to 3.0¢/therm (applied to customers who purchase through a broker). This change creates the most equity in taxation for natural gas consumers. It also allows for the equalization of tax payments among all sectors and includes a slightly inflated rate for non-NICOR customers in order to recapture a portion of the taxes that have been avoided over the past 10 years.

Any change in the Home Rule Use Tax will require approximately 60 days for NICOR (the administrator of both the Home Rule Use Tax and the Utility Tax) to implement. If council approves an increase quickly, the new tax structure could be in place by the end of December, beginning the equalization process during the winter months, and capturing an estimated $100,000 in unbudgeted revenue for FY04.

City of Evanston

Interdepartmental
Memorandum

To: Roger Crum, City Manager

From: Patrick Casey, Management and Budget Director; Bill Stafford, Finance Director; Alison Zelms, Management Analyst

Subject: Analysis of various rate changes to the Home Rule Natural Gas Use Tax

Date: October 21, 2003

As discussed in the September 17, 2003 Budget Committee meeting, and the October 13 A&PW Committee meeting, the tax structure currently imposed on natural gas consumption in Evanston is inequitable between residential consumers and commercial/industrial consumers. This memo outlines the current tax structure and proposes a new structure that will help to equalize the tax burden throughout the Evanston population.

CURRENT TAX STRUCTURE

Since deregulation went into effect for natural gas in Illinois (January 1, 1993) customers have been moving from franchised providers to brokered options for their gas services. The commercial and industrial sectors have moved to brokered deals at a disproportionately high rate from the residential customers. Thus, residential customers currently consume only 35% of natural gas, but pay over 50% of the taxes collected for natural gas use. The current tax structure in Evanston has not been changed to reflect the effects of deregulation and creates inequity in taxation between business and residential consumers, causing an unfairly high portion of the burden to be placed on the residential sector.

PROPOSED TAX CHANGES

None of the proposed changes will impose a fee increase for any current NICOR customers. These consumers will continue to pay the City's Natural Gas Utility Tax, which is based on the total charge for their gas use, set at 5% of their total bill from NICOR. The changes will, instead recapture tax dollars from natural gas consumers that have avoided tax payments by purchasing gas through a brokerage company. These customers currently pay 5% of their total bill from NICOR (which is only a small distribution charge) as well as the Home Rule Natural Gas Use Tax based on the amount of natural gas they consume (not price), set at $0.0095 per therm used.

Three options for a change in the tax rate for the Home Rule Natural Gas Use Tax are listed below. These options were calculated using real usage/pricing data for the twelve months between April '02 and March '03. The rates used for calculation were chosen with the intent to equalize the tax payments made by NICOR users and brokerage users. A description of both options and their effects follow.

OPTION #1 - .03/therm and 5% gross receipts

Raising the .95¢/therm Use Tax to 3.0¢/therm would serve to not only equalize the rate of taxation for natural gas, but also recapture some of the taxes lost during the years the current tax structure has been in place. The chart below shows that this structure will better match the taxes paid to the amount used by sector.

.03/therm and 5% gross receipts							Effects of Proposed Tax			
							avg cost per therm		% therms used	% total tax revenue
Residential		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change	current	proposed		
	NICOR	25,269,197	$ 15,408,227	$ 770,411	$ 770,411	$ -	0.030	0.030	34%	33%
	Broker	925,352	$ 92,572	$ 13,156	$ 31,556	$ 18,401	0.014	0.034	1%	1%
Commercial		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change				
	NICOR	9,031,204	$ 5,522,636	$ 276,132	$ 276,132	$ -	0.031	0.031	12%	12%
	Broker	38,062,793	$ 2,040,813	$ 452,789	$ 1,209,668	$ 756,879	0.012	0.032	51%	52%
Industrial		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change				
	NICOR	368,622	$ 210,389	$ 10,519	$ 10,519	$ -	0.029	0.029	0%	0%
	Broker	1,185,954	$ 91,375	$ 15,497	$ 39,080	$ 23,583	0.013	0.033	2%	2%
TOTALS		74,843,122	$ 23,366,012	$ 1,538,505	$ 2,337,367	$ 798,862				

** Proposed Revenue is based on a 5% of gross receipts tax for NICOR customers, and a 3.0¢ per therm tax in addition to 5% of gross receipts on distribution charges for customers who purchase Natural Gas through a brokerage.

OPTION #2 - .028/therm and 5% gross receipts

Raising the .95¢/therm Use Tax to 2.8¢/therm would almost equalize the rate of taxation for natural gas, but the brokered consumers in the commercial sector would still pay a slightly smaller portion of their share of the tax. This option would also allow the City to recapture a small portion of the taxes that were lost during the years the current tax structure has been in place. The chart below shows that this structure will better match the taxes paid to the amount used by sector.

.028/therm and 5% gross receipts							Effects of Proposed Tax			
							avg cost per therm		% therms used	% total tax revenue
Residential		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change	current	proposed		
	NICOR	25,269,197	$ 15,408,227	$ 770,411	$ 770,411	$ -	0.030	0.030	34%	34%
	Broker	925,352	$ 92,572	$ 13,156	$ 29,761	$ 16,605	0.014	0.032	1%	1%
Commercial		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change				
	NICOR	9,031,204	$ 5,522,636	$ 276,132	$ 276,132	$ -	0.031	0.031	12%	12%
	Broker	38,062,793	$ 2,040,813	$ 452,789	$ 1,135,826	$ 683,037	0.012	0.030	51%	50%
Industrial		Therms	Receipts	Current Rev*	Proposed Rev**	Total Change				
	NICOR	368,622	$ 210,389	$ 10,519	$ 10,519	$ -	0.029	0.029	0%	0%
	Broker	1,185,954	$ 91,375	$ 15,497	$ 36,779	$ 21,282	0.013	0.031	2%	2%
TOTALS		74,843,122	$ 23,366,012	$ 1,538,505	$ 2,259,429	$ 720,924				

** Proposed Revenue is based on a 5% of gross receipts tax for NICOR customers, and a 2.8¢ per therm tax in addition to 5% of gross receipts on distribution charges for customers who purchase Natural Gas through a brokerage.

OPTION #3 - .025/therm and 5% gross receipts

Raising the .95¢/therm Use Tax to 2.5¢/therm would almost equalize the rate of taxation for natural gas, but the brokered consumers in the commercial sector would still pay a slightly smaller portion of their share of the tax. This option would keep the taxing convention of Evanston in line with that of the State of Illinois, and other municipalities in the region. The chart below shows that this structure will better match the taxes paid to the amount used by sector.

.025/therm and 5% gross receipts							Effects of Proposed Tax			
							avg tax per therm		% total therms	% total tax revenue
Residential		*Therms*	*Receipts*	*Current Rev**	*Proposed Rev***	*Total Change*	current	proposed		
	NICOR	25,269,197	$15,408,227	$ 770,411	$ 770,411	$ -	0.030	0.030	34%	36%
	Broker	925,352	$ 92,572	$ 13,156	$ 27,068	$ 13,913	0.014	0.029	1%	1%
Commercial		*Therms*	*Receipts*	*Current Rev**	*Proposed Rev***	*Total Change*				
	NICOR	9,031,204	$ 5,522,636	$ 276,132	$ 276,132	$ -	0.031	0.031	12%	13%
	Broker	38,062,793	$ 2,040,813	$ 452,789	$ 1,025,063	$ 572,274	0.012	0.027	51%	48%
Industrial		*Therms*	*Receipts*	*Current Rev**	*Proposed Rev***	*Total Change*				
	NICOR	368,622	$ 210,389	$ 10,519	$ 10,519	$ -	0.029	0.029	0%	0%
	Broker	1,185,954	$ 91,375	$ 15,497	$ 33,328	$ 17,831	0.013	0.028	2%	2%
TOTALS		74,843,122	$23,366,012	$ 1,538,505	$ 2,142,522	$ 604,018				

** Proposed Revenue is based on a 5% of gross receipts tax for NICOR customers, and a 2.5¢ per therm tax in addition to 5% of gross receipts on distribution charges for customers who purchase Natural Gas through a brokerage.

RECOMMENDATION

Staff recommends adoption of Option #3, which proposes maintaining the current rate of 5% of gross receipts for the Natural Gas Utility Tax (applied to NICOR customers) and raising the rate of the Home Rule Use Tax from .95¢/therm to 2.5¢/therm (applied to customers who purchase through a broker). This change creates the most equity in taxation. It is also in keeping with the taxing conventions of local municipalities and the State of Illinois.

Any change in the Home Rule Use Tax will require approximately 60 days for NICOR (the administrator of both the Home Rule Use Tax and the Utility Tax) to implement. If council approves an increase quickly, the new tax structure could be in place by the end of December, beginning the equalization process during the winter months, and capturing an estimated $80,000 in unbudgeted revenue for FY04.

Interdepartmental
Memorandum

City of Evanston

To: Roger Crum, City Manager

From: Patrick Casey, Management and Budget Director; Bill Stafford, Finance Director; Alison Zelms, Management Analyst

Subject: Analysis of various rate changes to the Home Rule Natural Gas Use Tax

Date: November 4, 2003

Since deregulation went into effect for natural gas in Illinois (January 1, 1993) customers have been moving from franchised providers to wholesale or brokered options for their gas services. The commercial and industrial consumers were the first sectors allowed to purchase gas at wholesale prices, and have since moved to brokered deals at a disproportionately high rate from the residential customers. Residential customers have had the option to purchase gas at wholesale for less than two years and still have less opportunity to lower their cost for gas.

The current tax structure in Evanston has not been changed to reflect the effects of deregulation and reflects inequity in taxation between business and residential consumers, causing an unfairly high portion of the burden to be placed on the residential sector. Staff proposes increasing the Use Tax - paid by consumers purchasing wholesale gas - in order to make the tax burden more equitable.

RECOMMENDATION

Staff originally recommended raising the rate of the Home Rule Use Tax from .95¢ to 3.0¢ per therm. After listening to some of the concerns raised by business owners who purchase wholesale gas, staff now recommends a rate of 2.5¢/therm (applied to customers who purchase gas through a wholesale supplier). Although this rate change still leaves NICOR customers – representing over 96% of residential customers - paying a slightly higher rate in taxes, it will lessen the sudden impact of the increase for wholesale customers. It is also in keeping with the taxing conventions of other local municipalities and the State of Illinois.

SUPPORTING INFORMATION

The table on page two shows how the current tax structure affects NICOR customers and wholesale customers, and how an increased Use Tax affects NICOR customers and wholesale customers.

CURRENT TAX STRUCTURE		PROPOSED TAX STRUCTURE	
NICOR Customer – most residential		**NICOR Customer – most residential**	
(Therms used: 67.67)		(Therms used: 67.67)	
Gas Cost @ $0.578 per therm:	$ 39.11	Gas Cost @ $0.578 per therm:	$ 39.11
Delivery Charges:	$ 15.06	Delivery Charges:	$ 15.06
Total Bill (before taxes)	$ 54.17	Total Bill (before taxes)	$ 54.17
Utility Tax @ 5.15% of total bill	$ 2.79	Utility Tax @ 5.15% of total bill	$ 2.79
Tax represents 5.15% of Total Bill		***Tax represents 5.15% of Total Bill***	
Wholesale Customer		**Wholesale Customer**	
(Therms used: 454.50)		(Therms used: 454.50)	
Gas Cost @ wholesale:	$292.43	Gas Cost @ wholesale:	$292.43
Delivery Charges:	$ 98.34	Delivery Charges:	$ 98.34
Total Bill (before taxes)	$390.77	Total Bill (before taxes)	$390.77
Utility Tax @ 5.15% of delivery charge	$ 5.06	Utility Tax @ 5.15% of delivery charge	$ 5.06
Use Tax @ $.0095 of 454.50 therms	$ 4.32	Use Tax @ $.025 of 454.50 therms	$ 11.36
Total Tax Charges	$ 9.38	Total Tax Charges	$ 16.42
Tax represents 2.4% of Total Bill		***Tax represents 4.2% of Total Bill***	

This chart represents the taxes incurred on actual bills issued in October, 2003.

Interdepartmental
Memorandum

To: Roger Crum, City Manager

From: Patrick Casey, Management and Budget Director; Bill Stafford, Finance Director; Alison Zelms, Management Analyst

Subject: Analysis of various rate changes to the Home Rule Natural Gas Use Tax

Date: November 18, 2003

NATURAL GAS INDUSTRY

History of Deregulation

From the mid-1950s to the late 1970s, the federal government controlled most wellhead gas prices, setting interstate prices so low that it actually cost producers more to find and produce natural gas than they could sell it for, thus limiting available supplies. By the winter of 1976-77, the price controls led to constraints of natural gas (in non-natural gas producing states) that caused service curtailments for large manufacturing plants and even some schools and homes. More than 20 consuming states declared emergency situations.

Deregulation was spurred as a result of the Energy crisis of the late seventies, much more than as a means to control prices for natural gas customers – although for many that has been the result. The Natural Gas Policy Act of 1978 was an attempt to move from wellhead price controls to deregulation. This law gradually phased out price controls for some natural gas prices at the wellhead. The Federal Energy Regulatory Commission (FERC) opened access to pipelines in order to provide lower cost transportation services for gas and allow consumers to negotiate directly with producers and contract separately with pipelines for transportation. In 1989, Congress enacted the Natural Gas Wellhead Decontrol Act, which phased out price controls on natural gas at the wellhead and gradually eliminated the (FERC) regulation of producer sales of natural gas until full decontrol in 1993, when FERC ordered the restructure of interstate pipeline operations, separating sales from transport services (unbundling).

Effects of Deregulation

As more aspects of the industry become deregulated, taxing mechanisms continue to be affected, and tax distribution becomes more unfair. The taxation of natural gas was first affected by deregulation measures when transportation lines were decontrolled. This allowed the purchase of natural gas across state lines – and caused a shift in sales tax collection because taxes that were formerly collected in the state where the sale occurred, and are now collected where the gas is produced. Additionally, the deregulation of the supply-side of gas created more competition for large-volume customers, dramatically reducing the cost of gas for large commercial and industrial entities. The cost of gas for smaller consumers has also decreased but by a far lesser rate. Deregulation has made natural gas a commodity, where supply of gas is now for profit. Suppliers purchase gas at the wellhead for a price that decreases as the volume of gas purchased increases. The suppliers then contract with large-volume customers at very low per therm rates, making little or no profit. Suppliers then market the remainder of the gas supply to smaller customers and charge a rate that is only slightly less than what Nicor charges – this is where suppliers make their profit.

Today, consumers in Evanston can be paying anywhere from 15 cents per therm to 58 cents per therm for their gas. This rate varies slightly depending on the market cost for gas, but the range between low and high costs remains relatively stable. Unfortunately, the only customers eligible to receive a price as low as 15 cents per therm are those consumers that guarantee purchase of at least 50,000 therms per year. Most residential customers – whether wholesale or Nicor customers – pay at least $0.50 per therm. Small businesses and residential buildings with public spaces (condominiums) may receive a slightly lower price per therm than individual residential customers – because businesses and condo associations consume more gas – but still cannot achieve the price per therm that very large commercial and industrial customers pay.

Many large-volume consumers of gas have been benefiting from deregulation since 1985, when they were able to purchase large quantities of gas directly from producers at a contracted price. As the industry has been further deregulate, large consumers have benefited from continued price reduction and avoidance of their fair share of the tax burden, while consumers who use smaller volumes of gas – generally residents and small businesses – have only been able to purchase gas at wholesale since March 1, 2002, and at a diminished savings capacity. While deregulation has lowered gas prices, the reality is an unequal savings among customer groups – the more gas you use the less you pay per therm.

Deregulated pricing has also led to the taxing conventions in Evanston being outdated and unequal – purchase more gas, pay less per therm, and receive an unfairly low tax on consumption.

Components of Natural Gas Price

The price of natural gas consists of three main parts (all cost estimates include a number of taxes):

- Transmission costs to move the gas by pipeline from where it is produced. (e.g., the Gulf Coast) to the customer's local gas company.

- Distribution costs to bring the gas from your local gas company to your house.

- Commodity costs, i.e., the cost of the gas itself.

Wholesale Plans Available

Supplier offers usually fall into the following categories:

Fixed Price: A fixed price contract offers stability. The customer pays the same price per therm for natural gas or the same amount every month for a set period of time. Changes in the market price of natural gas should not affect the price paid. If market prices go up the customer is locked in at a lower rate. But if market prices go down, the customer still pays the higher, locked-in amount.

Market-Based or Index Price: Under these plans, the price paid for natural gas can change each month. The supplier sets the monthly price per therm based on one or more natural gas market indicators. Since gas prices can change over a year, the customer can expect the price to fall when market prices fall. The price can also go up when market prices go up.

Variable Price: This offer is similar to a market-based offer. The price per therm may go up or down with market trends, but may not necessarily be tied to a market index. For example, it may be based on the supplier's average cost to purchase natural gas.

Brokered Deal: Customers with a consumption pattern that totals over 50,000 therms per annum can negotiate a brokered deal that will specifically cater to their energy needs. These deals are based on consumption, trends of usage throughout the year, and storage capacity. Most residential consumers will never use more than 10,000 therms in one year and don't represent enough volume of consumption to receive a brokered deal.

NATURAL GAS IN EVANSTON

As a result of deregulation, Evanston residents, businesses, and industries have the option to purchase natural gas from either Nicor - the franchised gas provider - or another supplier. Nicor, a licensed distributor of natural gas in Illinois, provides the pipelines for distribution of natural gas (infrastructure), and regardless of a consumer's chosen supplier, the consumer's gas is still piped through Nicor lines. This is because deregulation, is not total. Distribution companies, such as Nicor, are still regulated by the Illinois Commerce Commission, their rates for distribution and supply controlled by the state and federal government, and their purpose cannot be for profit. Other suppliers are not regulated by a government entity, and although each must abide by the rule of law, rates are set competitively in the market, and companies are operating for profit. Because of this deregulation, two tax structures are used in the taxation of natural gas consumption – one based on a per therm rate for wholesale purchases, the other based on a percentage of the cost of gas.

Evanston Gas Use Tax (tax on use of gas purchased outside the City)

Implemented in 1994, the Use Tax allows the City to tax, by volume, the use of gas purchased from outside the City. This tax was originally set at .$0.0095 per therm, when the cost of gas was significantly lower. As the cost of natural gas has increased over the past ten years, this tax has remained constant as usage has remained constant, and now represents a significantly lower level of tax for consumers than the utility tax.

Evanston Utility Tax (tax on cost of gas purchased from franchised provider – Nicor)

Implemented in 1994, this tax allows the City to charge a tax based on the commodity and distribution cost of gas from the franchised provider. Nicor customers pay 5% of their bill (before taxes), which includes the cost for gas and its distribution. Because wholesale customers purchase gas from another supplier, they are only subject to a tax at 5% of the cost to distribute their gas. This tax varies based on the cost per therm of natural gas, and has increased despite relatively stable consumption patterns of customers.

RECOMMENDATION

.025/therm and 5% gross receipts

Raising the $0.0095 per therm Use Tax to $0.025 per therm would almost equalize the rate of taxation for natural gas, but wholesale customers would still pay a slightly smaller portion of their share of the tax. This option would keep the taxing convention of Evanston in line with that of the State of Illinois, and other municipalities in the region. The chart below shows that this structure will better match the taxes paid to the amount used by sector.

.025/therm and 5% gross receipts							Effects of Proposed Tax			
							avg tax per therm		% total therms	% total tax revenue
Residential		*Therms*	*Receipts*	*Current Rev**	*Proposed Rev***	*Total Change*	current	proposed		
	NICOR	25,269,197	$15,408,227	$ 770,411	$ 770,411	$ -	0.030	0.030	34%	36%
	Broker	925,352	$ 92,572	$ 13,156	$ 27,068	$ 13,913	0.014	0.029	1%	1%
Commercial		*Therms*	*Receipts*	*Current Rev**	*Proposed Rev***	*Total Change*				
	NICOR	9,031,204	$ 5,522,636	$ 276,132	$ 276,132	$ -	0.031	0.031	12%	13%
	Broker	38,062,793	$ 2,040,813	$ 452,789	$ 1,025,063	$ 572,274	0.012	0.027	51%	48%
Industrial		*Therms*	*Receipts*	*Current Rev**	*Proposed Rev***	*Total Change*				
	NICOR	368,622	$ 210,389	$ 10,519	$ 10,519	$ -	0.029	0.029	0%	0%
	Broker	1,185,954	$ 91,375	$ 15,497	$ 33,328	$ 17,831	0.013	0.028	2%	2%
TOTALS		74,843,122	$23,366,012	$ 1,538,505	$ 2,142,522	$ 604,018				

** Proposed Revenue is based on a 5% of gross receipts tax for NICOR customers, and a $.025 per therm tax in addition to 5% of gross receipts on distribution charges for customers who purchase Natural Gas through a wholesale supplier.

EFFECTS OF RECOMMENDED TAX CHANGE ON CONSUMER SECTORS

Those opposing the tax change suggest that it is unfair because the proposed increase more than doubles the tax for wholesale customers, and sometimes makes the proportion of tax to the customer's bill higher than 5% of the total. The rate change, from $0.0095 to $0.025 does more than double the tax, but that is because the current rate is more than two times less than what non-wholesale customers are paying in taxes. The relationship that the $0.025 per therm tax has to a customer's total bill depends on the rate that customer is paying for their gas.

Because the cost of gas varies greatly by customer - depending on average annual consumption, the various pricing options available, and the index price of gas on the market - it is difficult to assess the exact affects of a tax increase on each customer without a bill being provided. However, it is clear that most customers will not pay more than 5% of their bill in taxes. It is also clear that customers who consume a very high volume of natural gas, and thereby can broker a very low cost per therm on gas, will pay a higher percentage of their total bill in taxes than consumers who cannot obtain a very low price for their gas. The chart on the next page shows the effects of the tax change on the *average* customer.

Current Nicor customers would see no change to the taxes they pay on their bill and can still chose to purchase gas at wholesale. Customers purchasing gas from a wholesale supplier would still realize their cost savings for gas, but would pay their share of taxes on gas. Deregulation allows customers to choose their supplier of gas and to control the cost of their consumption, but it should not allow customers to choose to be taxed at a lower rate than their neighbor. The increase of the Evanston Gas Use Tax to $.025 per therm would equalize the tax burden for wholesale and franchise gas purchases.

CURRENT TAX STRUCTURE		PROPOSED TAX STRUCTURE	
NICOR Customer – most residential		**NICOR Customer – most residential**	
(Therms used: 67.67)		(Therms used: 67.67)	
Gas Cost @ $0.578 per therm:	$ 39.11	Gas Cost @ $0.578 per therm:	$ 39.11
Delivery Charges:	$ 15.06	Delivery Charges:	$ 15.06
Total Bill (before taxes)	$ 54.17	Total Bill (before taxes)	$ 54.17
Utility Tax @ 5.15% of total bill	$ 2.79	Utility Tax @ 5.15% of total bill	$ 2.79
Tax represents 5.15% of Total Bill		***Tax represents 5.15% of Total Bill***	
Wholesale Customer		**Wholesale Customer**	
(Therms used: 454.50)		(Therms used: 454.50)	
Gas Cost @ wholesale:	$258.75	Gas Cost @ wholesale:	$258.75
Delivery Charges:	$ 98.34	Delivery Charges:	$ 98.34
Total Bill (before taxes)	$357.09	Total Bill (before taxes)	$357.09
Utility Tax @ 5.15% of delivery charge	$ 5.06	Utility Tax @ 5.15% of delivery charge	$ 5.06
Use Tax @ $.0095 of 454.50 therms	$ 4.32	Use Tax @ $.025 of 454.50 therms	$ 11.36
Total Tax Charges	$ 9.38	Total Tax Charges	$ 16.42
Tax represents 2.6% of Total Bill		***Tax represents 4.6% of Total Bill***	

This chart represents the taxes incurred on actual bills issued in October, 2003.

City of Evanston

Interdepartmental
Memorandum

To: Roger Crum, City Manager
From: Tracy Roberts, Management Analyst
Subject: Budget Memo #13 Real Estate Transfer Tax
Date: February 6, 2004

The current budgeted revenue for the Real Estate Transfer Tax was conservatively predicted to be $3,000,000. Following are the results of two analyses which evaluate the revenue that can be anticipated for FY 04-05, as well as the projected base revenue level in the out years.

Staff has reviewed its original projection and looked at the current year. The current revenue estimate for FY 03-04 is $4,100,000. It is estimated that revenue for FY 04-05 will reach $3,500,000. This number is based on the sale of condominium units that will occur, low interest rates in the coming election year, and our analysis of past trends.

However, staff believes that $3,000,000 is the City's true base level of revenue for Real Estate Transfers in the coming years. The current strong housing market and low interest rate environment will not be sustained over time. While the $3,500,000 in revenue is realistic for FY 04-05, it will need to be re-evaluated in future years to take into account the housing market, building trends, and interest rates.

CITY OF EVANSTON
INTERDEPARTMENTAL MEMORANDUM

February 6, 2004

TO: Roger D. Crum, City Manager

FROM: David C. Jennings, Public Works Director

SUBJECT: Budget Memo #14 – Parking Clerk

We have been asked to provide information on the additional parking clerk included in the proposed budget. This clerk is requested in order to handle the increased demand for parking ticket processing and investigations, sales of residential parking permits (which includes screening for the number of people in a household, proof of residences, verification of vehicle registration, collection of any unpaid parking tickets, and finally issuance of the parking permit), and the collection of parking tickets and boot fees.

During the last 2 years, the volumes of all phases of the areas above have increased as the result of an active and expanded Parking Enforcement operation, greater attention to obtaining addresses for vehicle registrations (which generates revenues which were not being collected before), and notices being sent by Administrative Hearings. The increased volume has resulted in the Parking System Manager, the Parking System Supervisor, and the Parking Enforcement Supervisor spending more time on these important clerical support functions. The result is that they are taken away from their primary duties, including such things as capital projects in the lots and garages and administering the PowerPark system which is the program which contains all of our ticketing history and related information and is the primary source of data for the parking enforcement program.

An additional staff member is needed in order for the objectives for FY2004-05 to be accomplished. The clerk is budgeted at $47,200 which includes fringe benefits. The funding is from the Parking Fund – no General Fund dollars will be spent on this position. The financial impact is difficult, if not impossible, to quantify, but the operational impact and the impact on our ability to accomplish our long-term goals is significant.

Interdepartmental

Memorandum

City of Evanston™

To:	Roger Crum, City Manager
From:	Bill Stafford, Finance Director
Subject:	Budget Memo # 15 - Property Tax Policy
Date:	February 5, 2004

ISSUE

The policy question was raised at the last budget hearing about the possibility of adjusting the annual levy each December. This was suggested because by December the City would already be nine months into the budget and have a clearer picture of where the fiscal year will end and could adjust the property tax downward if the financial situation was good. It was suggested that the City should consider a policy to deal with this possibility.

ANALYSIS

An analysis of the components of the property tax needs to be done first to effectively consider this issue. The City's portion of the property tax consists of four components. Below, for example, is the composition of last year's property tax.

General Fund	$ 15,194,300
Fire Pension	2,572,937
Police Pension	3,352,429
Debt Service	8,097,845

Three of the components of the property tax could not really be changed in December. The Fire and Police Pension fund's annual property tax levy is based on actuarial reports that are based on each fund's financial situation at the end of the previous fiscal year. The City is required by state law to be consistent in its use of annual actuarial reports and any decrease in the levy amount would in all likelihood be considered a violation of the law. However, if either of the pension levies was increased in December that would be no problem.

The Debt Service annual property tax levy is based on a series of debt payments that have been established by over 15 different bond issues that have been legally filed with the County and cannot be changed. The only portion that is unknown is the variable bonds which have a fluctuating interest component. As such, most of the Debt Service property tax levy is established by law and cannot be altered.

The General Fund portion of the property tax is the only portion that could effectively be considered for alteration in December of each year. However, there are several issues and concerns that need to be considered before such a policy is contemplated.

First, the property tax dollars the City receives are always one year late. For example, the budgeted property tax for the current FY 2004 fiscal year which runs from March 1, 2003 through February 29, 2004 will not be collected by the City until late spring of 2004 and late fall 2004. The monies come to the City after the fiscal year is over. This is one of the reasons it has been so critical for the City to establish an 8.3% cash balance in the General Fund. This is a Cook County tax collection problem that can only be alleviated if the City were to transition to a calendar fiscal year and pass its budget in December prior to the tax year.

Second, even if the City were significantly ahead of its projections in December there is always the issue of a heavy winter and significant snowfall. The City has experienced instances were excess snowfalls have caused up to a million in added costs which mainly occurred in January and February. Because the budget generally ends each year with a differential of near a million dollars either way it is too difficult to predict the annual outcome in December.

Third, the final collection rate for the property taxes is generally not known until a year or two after the taxes are collected. The outstanding collections continue to increase in number due to the increased amount of property tax appeals by residents and businesses. In prior years the collection rates were 99%+ but since 2000 they have dropped to just over 98%+.

City of Evanston

Interdepartmental Memorandum

To: Roger Crum, City Manager

From: Tracy Roberts, Management Analyst; Alison Zelms, Management Analyst

Subject: Budget Memo #16 Explanation of Page 31, General Fund Expenditures

Date: February 6, 2004

The attached spreadsheet details the increased departmental expenditures shown on Page 31 of the FY 04-05 Proposed Budget Book.

Please note these major changes:

- Health and Human Services
    - An accounting change for grant revenues and expenditures represents 78% of the total increase for this department. Previously, grant funds were budgeted as a net amount, rather than as separate revenue and expenditures. So the expenditures are offset by an equal amount of grant revenue shown in the revenue section of the budget.
- Management and Budget
    - Last years budget was completed prior to settling multiple union contracts. All FY 03-04 projected salary and health insurance cost increases were budgeted in contingency, which is budgeted within the Office of Management and Budget. For FY 04-05 the 03-04 increases were allocated back to their departments, in addition to the 04-05 increases – artificially inflating FY 04-05 departmental budgets.

Business Unit	FY03 Budget	Change	Notes	Total Division Change	New Division Total	% Increase
Legislative	$460,600	$8,700	Salary Adjustment	**$27,800**	**$488,400**	**6.04%**
		$16,900	Health			
		$2,200	City Clerk's Office Misc Increases			
City Managers Office	$595,900	$33,500	Salary Adjustment	**$47,600**	**$643,500**	**7.99%**
		$10,500	Health			
		$3,600	Farmers Market Increases			
Management and Budget	$10,375,800	($1,151,100)	Salary Adjustment	**($1,619,400)**	**$8,756,400**	**-15.61%**
		($525,200)	Health			
		($2,600)	Reduction in Contractual Services			
		$23,900	Technical Services			
		$2,000	Permanenent Part Time			
		$33,000	Adjudication Postage Increases			
		$600	Telecommunications			
Law Department	$559,000	$29,200	Salary Adjustment	**$38,800**	**$597,800**	**6.49%**
		$9,600	Health			
Human Resources	$1,083,500	$33,100	Salary Adjustment	**$87,400**	**$1,170,900**	**8.07%**
		$11,200	Health			
		$13,000	Increased Medical testing			
		$20,000	Test Administration			
		$10,000	Unemployment Comp			

Business Unit	FY03 Budget	Change	Notes	Total Division Change	New Division Total	% Increase
Finance	$1,617,700	$85,300	Salary Adjustment	**$271,300**	**$1,889,000**	**16.77%**
		$150,000	JD Edwards software support and maintenance			
		$36,000	Health			
Facilities Management	$2,115,800	$87,500	Salary Adjustment	**$157,500**	**$2,273,300**	**7.44%**
		$37,200	Health			
		$32,800	Postage Meter			
Community Development	$2,480,100	$164,500	Salary Adjustment	**$253,200**	**$2,733,300**	**10.21%**
		$62,100	Health			
		$1,900	Increase Auto Allowance			
		$15,000	Replace Microfiche reader / printer			
		$9,700	Overtime - Increased due to new Labor Contract			
Police	$16,202,700	$878,300	Salary Adjustment	**$1,455,600**	**$17,658,300**	**8.98%**
		$434,100	Health			
		$10,000	Increased bldg. maint. services for newly renovated portions of building			
		$1,000	Janitorial Supplies			
		$60,000	Purchase of ten (10) in car video cameras			
		$5,000	Increase in Leads Subscriptions			
		$2,200	Misc			
		$7,000	Desks and Chairs for records staff			
		$50,000	Vacant Commander Position			
		$2,000	Purchase of a copier			
		$5,000	Increase in cost of Police Ammunition			
		$1,000	Overtime pay as mandated by new afscme contract			

Business Unit	FY03 Budget	Change	Notes	Total Division Change	New Division Total	% Increase
Fire	$9,258,300	$541,100	Salary Adjustment	**$827,200**	**$10,085,500**	**8.93%**
		$212,500	Health			
		$2,600	Misc			
		$21,500	Various Equipment Maintenance			
		$49,500	EMS Reporting system required by St Francis			
Health / Human Services	$3,707,200	$118,700	Salary Adjustment	**$1,094,900**	**$4,802,100**	**29.53%**
		$56,000	Health			
		$19,300	Permanent Part Time			
		$21,900	Overtime pay refer to AFSCME contract			
		$6,700	Cell phone Charges			
		$12,600	Misc			
		$2,300	Auto Allowance			
		$5,500	Increase medical and lab supplies			
		$852,900	Grant Reclassification			
		($1,000)	Homeless Services			
Public Works	$10,938,400	$312,500	Salary Adjustment	**$561,500**	**$11,499,900**	**5.13%**
		$131,000	Health			
		$2,800	Increase in Boot/Tow Contract			
		$32,000	Overtime			
		$9,000	Misc			
		$20,200	Increase cost of school crossing guards			
		$35,000	Chemicals - Snow and Ice Control			
		$19,000	Safety Shoes			

Business Unit	FY03 Budget	Change	Notes	Total Division Change	New Division Total	% Increase
Human Relations	$515,300	$17,200	Salary Adjustment	**$27,400**	**$542,700**	**5.32%**
		$6,400	Health			
		$2,500	Printing			
		$1,300	West Law software subscription			
Library	$3,794,600	$173,900	Salary Adjustment	**$263,300**	**$4,057,900**	**6.94%**
		$52,900	Health			
		$600	Cell Phone			
		$17,900	Shelving			
		$13,200	Misc Inflation Adjustment			
		$4,800	Increases to cover cost of DSL connections to branch libraries			

Business Unit	FY03 Budget	Change	Notes	Total Division Change	New Division Total	% Increase
Parks/Forestry/Recreation	$10,049,000			**$828,800**	**$10,877,800**	**7.62%**
Forestry		$126,700	Reg Pay	**$232,800**		
		$60,000	Health			
		$20,000	Tree Planting			
		$15,000	Landscaping			
		$11,100	Tree Insurance			
Ecology		$12,500	Reg Pay	**$37,500**		
		$12,100	Part time			
		$6,400	Health			
		$6,500	Utilities			
Arts Council		$37,900	Reg Pay	**$57,100**		
		$13,000	Utilities			
		$6,200	Misc			
Cultural Arts		$24,500	Reg Pay	**$28,700**		
		$4,200	Health			
Recreation		$198,700	Reg Pay	**$472,700**		
		$27,800	Part time			
		$66,300	Seasonal			
		$5,000	Overtime			
		$73,400	Health			
		$27,100	Utilities			
		$24,200	Misc			
		$24,500	Field Trips			
		$14,000	Phones			
		$4,300	Instructor Svcs			
		$7,400	Rental Svcs			

Interdepartmental
Memorandum

To: Roger Crum, City Manager

From: Patrick Casey, Director of Management and Budget

Subject: Budget Memo 17, Sister Cities Funding

Date: February 5, 2004

The Mayor inquired if there could be a line item in the budget to show the expenses associated with the Sister Cities program. It was suggested that an amount equal to $5,000 be budgeted for this function. This is a reasonable request and it will be added to the balancing sheet that the Council uses each year to track suggested budget amendments.

City of Evanston

Interdepartmental

Memorandum

To: Roger Crum, City Manager

From: Patrick Casey, Director of Management and Budget

Subject: Budget Memo 18 Parking Ticket Revenues

Date: February 5, 2004

Parking meters hours and enforcement were extended to 9:00 p.m. in the Central Business District in October of 2002. Immediately following this action the FY 2003/04 revenue budget for parking ticket fines was increased by $400,000 to reflect the projected increase in activity. Natural growth of parking ticket revenue in the FY 2003/04 budget allowed an additional increase of $58,000. The total revenue budget in FY 2003/04 was $3,400,000.

Staff has reviewed its original projection and looked at the current year. We believe that the projected revenue can be increased to $3,500,000 for next year, an increase of $100,000. We believe that this is the best that can be expected.

Attached is Budget Memo # 32 from last year budget process showing the assumptions that lead to current year parking ticket revenue projection.

City of Evanston

Interdepartmental Memorandum

To: Roger Crum, City Manager
From: Patrick Casey, Director of Management and Budget
Subject: Budget Memo #19 Fund Transfer Summary Comparison
Date: February 6, 2004

The City Council requested a comparison of the transfer summary, appearing on page 27-28, of the Proposed 2004/05 budget with the same summary for fiscal year 2003/04. The summary highlights the transfers made between funds. The attached summary is highlighted with color to indicate the different types of transfers that occur.

Analysis of Appropriations for Transfers to Other Funds	Fiscal Year 2003/2004	Fiscal Year 2004/2005	$ Increase 2004 vs. 2005	% Increase 2004 vs. 2005
General Fund				
Transfer to Fleet Service Fund	$3,981,600	$3,981,600	$0	0.00%
Debt Service - Recycling and Vehicle	$175,000	$175,000	$0	0.00%
Transfer to Insurance Fund	$1,900,000	$1,900,000	$0	0.00%
To Capital Improvements	$200,000	$200,000	$0	0.00%
	$6,256,600	$6,256,600	$0	0.00%
Parking Systems Fund				
Transfer to Fleet Service Fund	$99,200	$99,200	$0	0.00%
Transfer to General Fund for Pension	$89,900	$120,900	$31,000	34.48%
General Fund Cash Transfer - Meter Revenue	$300,000	$300,000	$0	0.00%
Transfer to General Fund for Insurance	$82,800	$82,800	$0	0.00%
Transfer to General Fund for Administrative Expense	$397,600	$431,000	$33,400	8.40%
To General Fund for Parking Lot Maintenance	$23,400	$25,400	$2,000	8.55%
	$992,900	$1,059,300	$66,400	6.69%
Emergency Telephone System				
Transfer to Debt Service	$213,400	$212,000	-$1,400	-0.66%
Transfer to General Fund for Information Systems Support	$50,000	$50,000	$0	0.00%
Transfer to General Fund For Administrative Expense	$36,000	$50,000	$14,000	38.89%
Transfer to General Fund for Pension	$39,400	$39,400	$0	0.00%
	$338,800	$351,400	$12,600	3.72%
Motor Fuel Tax Fund				
Transfer to General Fund for Street Maintenance	$630,000	$630,000	$0	0.00%
Transfer to General Fund for Engineering Services	$120,000	$120,000	$0	0.00%
	$750,000	$750,000	$0	0.00%
CDBG Fund				
Transfer to General Fund for Pension, Health & Life Ins.	$175,000	$193,800	$18,800	10.74%
Transfer to General Fund for CDBG Supported Programs	$878,400	$792,600	-$85,800	-9.77%
	$1,053,400	$986,400	-$67,000	-6.36%
HOME Fund				
Transfer to General Fund for Salary	$30,700	$31,800	$1,100	3.58%
Transfer to General Fund for Pension, Health & Life Ins.	$6,600	$6,600	$0	0.00%
	$37,300	$38,400	$1,100	2.95%
MAPLE Garage Fund				
Transfer to General Fund for Insurance	$38,300	$39,500	$1,200	3.13%
Water Fund				
Transfer to Fleet Services Fund	$301,900	$301,900	$0	0.00%
Transfer to General Fund for Pension	$342,000	$338,200	-$3,800	-1.11%
Transfer to General Fund for Public Works Support	$18,000	$18,000	$0	0.00%
Transfer to General Fund - Return in Investment	$2,386,000	$2,457,600	$71,600	3.00%
Transfer to General Fund for Insurance	$136,300	$136,300	$0	0.00%
Transfer to General Fund for Worker's Compensation Expense	$30,100	$30,100	$0	0.00%
Transfer to General Fund - Operating Cash	$145,800	$157,600	$11,800	8.09%
Transfer to General Fund for Collections and Information Systems	$88,000	$88,000	$0	0.00%
Transfer to General Fund for Administrative Expense	$438,600	$470,000	$31,400	7.16%
	$3,886,700	$3,997,700	$111,000	2.86%
Fleet Service Fund				
Transfer to General Fund for Pension	$116,400	$123,200	$6,800	5.84%

Analysis of Appropriations for Transfers to Other Funds	Fiscal Year 2003/2004	Fiscal Year 2004/2005	$ Increase 2004 vs. 2005	% Increase 2004 vs. 2005
Economic Development Fund				
Transfer to General Fund	$240,000	$257,500	$17,500	7.29%
Transfer to General Fund for Pension	$10,000	$8,400	-$1,600	-16.00%
Transfer to Maple Avenue Garage Fund **		$650,000	$650,000	100.00%
	$250,000	$915,900	$665,900	266.36%
Sewer Fund				
Transfer to Fleet Service Fund	$235,800	$235,800	$0	0.00%
Transfer to General Fund for Health Insurance	$104,000	$119,700	$15,700	15.10%
Transfer to General Fund for Pension	$93,400	$93,400	$0	0.00%
Transfer to General Fund for Insurance	$105,200	$105,200	$0	0.00%
Transfer to General Fund for Worker's Compensation Expense	$38,200	$38,200	$0	0.00%
Transfer to General Fund for Collections and Information Systems	$67,600	$67,600	$0	0.00%
Transfer to General Fund for Administrative Expense	$70,400	$70,400	$0	0.00%
Transfer to General Fund for Public Works Support	$112,400	$120,200	$7,800	6.94%
	$827,000	$850,500	$23,500	2.84%
Capital Improvement Fund				
Transfer to General Fund for Engineering for Capital Projects	$250,000	$257,500	$7,500	3.00%
Special Assessment				
Transfer to General Fund for Administrative Expense	$30,000	$30,900	$900	3.00%
TIF Funds				
To General Fund From Downtown II Expense	$250,000	$257,500	$7,500	3.00%
To Maple Ave. Garage fund From Economic Development Fund	$590,000	$650,000	$60,000	10.17%
To Maple Ave. Garage fund From Downtown II Expense	$4,117,709	$4,117,709	$0	0.00%
To Washington National TIF from Downtown II Expense	$845,315	$845,315	$0	0.00%
To General Fund From Washington Naitonal TIF	$75,000	$133,900	$58,900	78.53%
To General Fund From Howard Hartrey TIF	$10,000	$103,000	$93,000	930.00%
To General Fund From Southwest TIF	$20,000	$20,600	$600	3.00%
	$5,908,024	$6,128,024	$220,000	3.72%
ETHS				
To General Fund - Police	$30,000	$30,000	$0	0.00%
Grand Total Transfers	$20,765,424	$21,815,324	$1,049,900	5.06%

Transfers Summary by Fund

To Maple Avenue Garage Fund	$ 4,707,709	$ 5,417,709	$710,000	15.08%
To Fleet Service Fund	$ 4,618,500	$ 4,618,500	$0	0.00%
To General Fund	$ 8,105,500	$ 8,446,800	$341,300	4.21%
To Debt Service Fund	$ 388,400	$ 387,000	-$1,400	-0.36%
To Capital Improvement Fund	$ 200,000	$ 200,000	$0	0.00%
To Insurance Fund	$ 1,900,000	$ 1,900,000	$0	0.00%
To Washington National	$ 845,315	$ 845,315	$0	0.00%
	$ 20,765,424	$ 21,815,324	$ 1,049,900	5.06%

**Refer to Budget Memo #21 for Economic Development Expenditure Summary

Interdepartmental

Memorandum

City of Evanston™

To: Roger Crum, City Manager

From: Tracy Roberts, Management Analyst

Subject: Budget Memo #20 Municipal Organization Dues

Date: February 6, 2004

We were asked to look at the City's annual expenditures for the following organizations: The National League of Cities, the US Mayors Conference, and the Northwest Municipal Conference. The City's annual dues are as follows:

The National League of Cities - $4,891

The US Mayors Conference - $4,682

The Northwest Municipal Conference - $18,706

City of Evanston

Interdepartmental Memorandum

To:	Roger Crum, City Manager
From:	Judith Aiello, Assistant City Manager William Stafford, Finance Director Dennis Marino, Assistant Community Director for Planning
Subject:	**Budget Memo #21, Economic Development Expenditures**
Date:	February 6, 2004

<u>Personnel and Benefits</u>……………………………………………………………$119,500
(100% of Economic Development Planner,
15% Assistant City Manager, 15% Executive Secretary,
related benefits and pension)

<u>Legal Services</u>:……………………………………………………………………. $30,000
(Legal services required for negotiating redevelopment
agreements outside of TIF Districts and other legal
services as needed)

<u>Consulting Services</u>:…………………………………………………………………$151,000
(Services provided by consultants for economic
development projects outside of TIFs and for services
needed to establish a TIF, other special studies and activities
including downtown visioning, traffic studies, feasibility studies,
not all of which can be forecast at the beginning of the budget year.
Also includes $60,000 for North Shore Convention and Visitors Bureau.)

<u>Business District Improvements Program</u>……………………………………….$50,000
(A program which addresses needs and opportunities within small
business districts outside the downtown designed to improve these
districts. Past activities have included marketing, web site design,
banners, landscaping, brochures, special lighting, planning studies,
and sidewalk improvements.)

<u>Other Program Costs</u>…………………………………………………………………$20,000
(City's Portion of Downtown Streetscape Maintenance Cost)

<u>Other Expense (Administrative and Office)</u>………………………………………$21,000
(Includes printing, promotional material, postage,
copy machine charges, telephone, office supplies,
training, contingencies.)

Transfers to General Fund ………………………………………………………$257,500
(Includes administrative expenses from various
departments).

Transfers to Maple Avenue Garage Fund ………………………… …………….$650,000
(Includes transfer of Amusement Tax to Maple Ave.
Fund and portion of Hotel Tax designated to Maple
Ave. all of which are part of the Downtown II TIF
Financial plan and pro-forma.)