

ROLL CALL – PRESENT:	Alderman Bernstein	Alderman Newman
	Alderman Kent	Alderman Drummer
	Alderman Engelman	Alderman Wynne
	Alderman Rainey	

A Quorum was present.

NOT PRESENT AT ROLL CALL:	Alderman Feldman
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ABSENT:	Alderman Moran
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PRESIDING:	Mayor Lorraine H. Morton
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A SPECIAL MEETING of the City Council was called to order by Mayor Morton at 9:17 a.m. Saturday, January 27, 2001 in the Council Chamber for the purpose of considering Resolution 5-R-01, and conducting a workshop on the proposed 2001-02 City of Evanston Budget.

Alderman Feldman came into the meeting at this time.

CITIZEN COMMENT:

Junad Rizki, 2784 Sheridan Rd., did not think Council had the “big” picture on the budget; noted the City Manager wrote that the City has excellent services in his budget message, but Mr. Rizki asserted Evanston services for police and fire, while good, are no better than other communities. He passed out a graph he made of a study done by Park Ridge that shows all fees/taxes paid to a municipality to rate a community on what it costs to live there. Evanston was not in that study so Mr. Rizki put Evanston numbers on the chart noting it is nearly the highest cost community. He asked the City to develop a figure for Evanston. He suggested that many people are not happy with the City’s service level because some are asking for \$100 million to fix the parks and the same with the library. If services are so good, why is there a need for these things he asked? He asserted there has not been a good operation to keep things going. He noted the City uses an incremental cost approach to tell the public the effect of changes and costs. He said the City says it will raise the property tax 9% but doesn’t tell the effect of adding the 10% to the sewer charge and maybe 2% for recreation. He said the public needs to know how much they will have to pay. He asked what would happen in three-four years? Will there be a reassessment this year? He stated the City will increase water bills each year by 10% for the next four years; was concerned that Council keeps raising taxes and taxpayers accept it. He has suggested for years that the City cut programs and employees and hears that Council will not cut.

Mayor Morton stated the Assessor’s office has people looking at property for reassessment. She hoped the Assessor’s office would do what is required and hold a meeting before they make their final decision.

Silvia Kusaka, 1702 Livingston St., suggested Council was rushing into developing a new Recreation Department when a clear study of what is needed had not been done. She asked whether Robert Crown Center could not be fixed until they have completed a study and asked what if \$10 million is not enough or a larger facility is needed? She noted a multi-use facility was proposed in James Park and asked why not incorporate that into one large facility in

Robert Crown Park. She supported a referendum to fix up the fields and courts to make parks beautiful again, noting parks are a reflection of community pride. She thought when visitors see crumbling tennis courts it reflects poorly on the City; was willing to pay more in taxes to fix the parks and make the first impression of Evanston a beautiful one. She recommended a comprehensive study of the City's long-term recreation needs.

Resolution 5-R-01 – Placing a Referendum Question on April 3, 2001 Ballot to issue Bonds for Phase I of Parks & Recreation Strategic Master Plan – Consideration of proposed Resolution 5-R-01, placing a referendum question on the 4/3/01 ballot to issue bonds for Phase I of the Parks & Recreation Strategic Master Plan. For Action.

City Manager Roger Crum explained this item was on the agenda of the last regular City Council meeting and held until this meeting.

Alderman Rainey moved to amend Resolution 5-R-01 as follows: “Adhering to the proposed schedule of construction as set forth in the strategic plan timetable, that the park improvements, baseball, softball and soccer fields and the basketball and tennis court renovations/construction be accomplished by incrementally adding these projects to the City's Capital Improvement Program. The scheduled 2001 projects shall be financed, along with all other City capital projects scheduled for 2001, through the issuance of General Obligation bonds and/or any other appropriate source of funds. Projects scheduled for subsequent years shall be financed in the same manner.

The new structure projects proposed, including the rebuilding of Robert Crown Center, an indoor sports center and lakefront kiosk, require additional community education, discussion and input. The City Council should evaluate all possible funding sources and private development. If it is decided to proceed with the projects and the majority of the funding is to be generated by the property tax, then a referendum shall be placed on the spring 2002 ballot.”
Seconded by Alderman Engelman.

Alderman Rainey explained that in each column of the master plan spreadsheet, excluding the top two or three projects where structural projects are included, she proposed they fold in the improvement projects with that current year's capital budget. Add what is in the 2001, 2002 and succeeding years. It would require amending the City's current capital plan by eliminating items already in the plan. She argued maintenance and regular improvements of parks and fields ought to be included in the ongoing plan and not be singled out. She thought structural projects were different and should be treated differently. The community should be asked to make a commitment if they go to the taxpayers for full funding for those projects. Given the controversy and curiosity caused by the structural projects, a year's worth of education, discussion and research on those three projects would do the community good.

Alderman Drummer asked if numbers were put to her proposal? Alderman Rainey explained that in each year of the 2001-07 plan, capital projects were proposed. Alderman Drummer asked how much was added to the current year's budget? Alderman Rainey explained in addition to the capital plan her motion would fold in recreation projects incrementally based on the year they are scheduled for completion as presented by the Recreation Board. Alderman Kent asked if this went forward were all parks in the CD area included? Alderman Rainey was not taking out anything that was in the proposed capital plan but simply adding to it. She explained all projects were listed beneath the Recreation building sub-total on all pages and tennis courts are included. Alderman Drummer thought they were looking at \$1.1 to 1.2 million added to the capital plan. Alderman Rainey stated it was not \$1.2 million because they were not counting \$907,000 in the new Crown Center section. It was \$1.2 million minus the \$907,000 for 2001. Alderman Engelman clarified what was being proposed was the \$22 million plan minus the Robert Crown Center and the beach kiosk and do all the fields and tennis courts. He asked staff to give them some idea whether this would have a substantial impact on the bonding (spread over seven years). He estimated that at about \$1.5 million a year.

Assistant City Manager Judith Aiello explained in preparing this year's five-year capital plan, because a referendum was being discussed, the team removed all parks projects and put them into a line item for streets. Parks were not in the capital plan before them. Mr. Crum asked what would be the increment of adding \$10 million over 6-7 years? Finance Director Bill Stafford stated it would be \$1 or \$1.5 million on the levy and there would be slightly higher increase in the debt service than projected.

Alderman Newman doubted whether what was being proposed would ever happen, referring to the five-year plan wherein park renovations have been moved back year after year. He thought the impact of this in 2003 would

commit the City to an additional \$2.8 million to add to what is regularly done. If they have \$4 million in projects, they would commit to about \$7 million. He thought they would be throwing the question to the Council in 2003 of whether these parks get done. What they do today is not binding and does not consider other needs. That Council will have to commit to a \$7 or \$8 million bonding when the most the City has done is \$5 million. He doubted whether this Council could bind the next Council and thought staff could be arguing for something else with a higher priority. He called it a "good faith half-promise" that something would be done now, but if in the future there is a similar situation to today with high property taxes, tight budget and tax levy, what would happen? He suggested many of the parks/fields should have been done years ago and the reason they were not done was because they did not make it on the priority list of the capital team.

Alderman Wynne confirmed there would be an primary election in March 2002 at which a referendum could go on the ballot.

Alderman Rainey stated it was with good intentions she made these suggestions. In talking with people, she feared this referendum was dead on arrival. She stated if Alderman Newman thought \$4 million was a burden on the tax levy, she asked him to consider his plan, which would include current capital projects plus \$8 million, on the tax levy. She recalled going to the community to explain the long-term sewer project and people embraced that. As the years go by, people are being strangled by what was explained would happen. She thought \$8 million in addition to the tax bill in 2003 would be a killer. She said that this is a pay-as-you-go plan and not innovative.

Alderman Bernstein noted they had a similar program with trees and voted to change the cycle of tree trimming. He remembered a cooling tower was put into Robert Crown recently and some backstops constructed. He asked the purpose of the \$907,000 for 2001?

Parks/Forestry & Recreation Director Doug Gaynor said the first appropriation was for planning, plan specifications, community meetings and developing the site, which would take close to a year. They need a good portion of that to bring in appropriate consultants to accomplish that and construction would start in the second year. Alderman Bernstein asked the condition of Crown and its useful life? Mr. Gaynor stated Crown is a safe facility. He could not answer what would occur in the future. Besides structural issues, Crown continues to lose business to other arenas because other facilities have better, safer and more secure locker rooms, lighting and overall facility. He did not know how long Crown would last. Many have come forward and say a new Crown is needed. They are trying to do the appropriate planning. Structural engineers have told the City the walls are coming away from the building and they are not sure why, nor how to fix it. The mechanical facilities need to be replaced because they are 26 years old. Alderman Bernstein thought close to \$200,000 of repairs was put into the facility last year. Mr. Gaynor has continued to ask, as they have made repairs, whether any could be held off and the cooling tower and other improvements converted and moved over to a new facility. A cooling tower is critical, because without it they have no ice. Mayor Morton asked Mr. Gaynor how much had been spent on all improvements at Robert Crown for the past 10 years? Mr. Gaynor will supply a report on Crown Center repairs, which he said have been reactionary due to floods and replacement of the gymnasium floor.

Alderman Engelman thought there were three issues. One, is there a real commitment to do the fields? Two, can the Crown Center decision be deferred for a year to have education, input and evaluate funding sources? Three, what is the best way to fund projects they decide to do? He said that Mr. Stafford had given him the answer – to do all the improvements Alderman Rainey outlined would add \$160,000 to the annual debt service at a total cost of \$11 million and increase the levy by .65%. This uses the incremental method to spread the costs of the projects over a seven-year period. He thought all were committed to do it. A binding referendum says they will spend \$10 or 20 million and he found it hard to believe that future Councils would be limited to spending specified amounts for projects. He thought all were making a good faith effort to address an issue and that should be put aside. The other issue is Crown Center. All know about the walls pulling away. That begs to be evaluated to see what needs to be done and if the building can be repaired or needs to be replaced. Does the City need a larger facility? Should it be on the current site or right next to it until the present building is torn down? Those are questions the community has and should be evaluated before making a decision. He did not think the City had ever done a construction project by saying, "let's spend the money," then figure out how it will be done. He recommended they deliberate, then decide what they want to do. He is committed to doing the fields and tennis courts. He thought they could afford it and it gives them time to plan, evaluate and, if necessary, ask the public if they need to add bricks and mortar.

In response to Mayor Morton, Alderman Engelman explained the Capital Improvement Plan is passed annually and includes funds for current and proposed projects for the succeeding four years. Each year there are changes from the previous four-year plan due to changed priorities. He thought that was what Alderman Newman was referring to and that he was correct. Future City Councils can change priorities. He was willing to commit to redo the fields during this timeline. Mayor Morton stated the document before her had a total for \$1.2 million for 2001 and \$1.5 million for 2002. Alderman Engelman referred to the five-year summary of project categories and saw Parks/Recreation in for \$516,005 for 2001.

Mr. Gaynor confirmed with Alderman Feldman that two consultants had different opinions about Robert Crown and a third hired as consultant on the Strategic Master Plan recommended it would be better to build a new Crown than to renovate it. Alderman Feldman said many people he has heard from say there are significant reasons to redo Crown having to do with other than the walls coming apart. Were they losing business? Mr. Gaynor said that lighting, security and lockers are issues and three arenas have been built within a five-six mile radius. Rentals are moving to facilities that are newer, brighter and provide better accommodations for users. Alderman Feldman asked how the present condition of Crown impacts skaters and other users? How does it meet the needs of the community? Mr. Gaynor thought, in part, the City is losing some skaters and hockey players who are going elsewhere. He noted that Crown's concession facility is not open as often as others are, does not have enough equipment or space. Newer facilities have accommodations for small pro shops so somebody can purchase skate guards, laces and things needed on the spur of the moment. He noted the dasher boards were replaced 18-months ago because they were worn out. Crown's ice arena has dim lighting and to make it brighter would cost a considerable sum. The impact is evident by the number of people leaving and not using the facility. Many citizens use this facility and there is great demand for it. Alderman Feldman has heard from parents of children who use Crown that find the facility in a general state of disrepair and shabby. He assumed if a new Crown were built it would have a different configuration. He noted to come up with a figure for a new/repared Crown must be based upon something and asked what that was? Mr. Gaynor stated that number was based upon the square footage of Crown now and current construction costs (Deering complex built about one year ago). Mr. Gaynor stated that facilities are built in a similar way. Alderman Feldman asked if the new competitive arenas have the same size rink as Evanston? Mr. Gaynor stated facilities have a larger sheet of ice. Typically ice arenas have been 100x85 feet and the new ones are 100x200 feet. Staff has not gone into detail on all components. Alderman Feldman asked the size of an Olympic ice rink? 100x200 feet. The National Hockey League and the Olympics have gone to that size. Alderman Feldman asked if that size would increase the numbers using the arena? Mr. Gaynor said somewhat, but not that much more as the increased size was more for expansion of the activity.

Alderman Feldman said it is the Council and community's job to make sure the parks and recreation facilities are improved and maintained with or without a referendum. He noted they would be exactly where they are now if a referendum on April 3 failed. He thought the decision they were making was to allow citizens to make that decision. He was not certain the referendum was dead on arrival. He wondered if there was harm in allowing people who have worked hard on this to go into the community to see how people feel.

Alderman Bernstein asked what is a binding referendum? If they go out for a referendum asking citizens to commit to a specific dollar amount and a list of projects, what is the obligation regarding distribution of those funds? What protection is there for citizens if a referendum passes?

First Assistant Corporation Counsel Herb Hill stated the City Council is the protection for citizens. The resolution has language in Section 2 that states "if the votes cast are in the majority, the City shall within 18-months issue bonds in an amount not to exceed ----." That language makes it binding upon this City Council. Are these funds dedicated from this moment on for this purpose? No. Is this binding now and forever? No. Once the monies are collected the City Council would be in a different situation. The power to act is from two separate sources. In the Illinois Compiled Statutes, Section 65, statutory power is given to any municipality to have a referendum question on recreation budgets. The City, as a home rule unit, enacts legislation through its home rule powers. Those powers are as the City decides to act for matters pertaining to its business and affairs. The City's business and affairs are how this city administers, operates and creates a recreation program. This Council has taken upon itself, by having Section 2, that it will be bound by the results of the referendum question. As a general caveat, the referendum question is not legally needed by this City Council to spend funds for recreation purposes. That is within the home rules powers of the City. Mr. Crum stated once they go to a bond, they are bound by bond language in which they commit to doing certain things by contract. There is some leeway, but money must be spent on the categories that

are in the bond contract. Mr. Stafford explained when the City goes out to bond, they must make a good faith effort and cannot issue \$10 million for recreation then shift it to streets, however, bond covenants allow some flexibility.

Alderman Bernstein said that Crown is gone and it's just a question of time. He asked the cost for consulting fees to do the analysis needed to make the decision to repair or rebuild the center? Mr. Crum stated they are asking for enough money to do the preliminary concept, site plan work, but not plans and specifications. He estimated that at about \$200,000. Mr. Gaynor stated it was the intent of the recommendation and the Recreation Board's position that if there was a referendum put out, that it was specific enough so citizens could see what would be done.

Mayor Morton asked Mr. Gaynor if the money allocated for parks and recreation for this year was spent? Yes. He explained that all projects are up and running. There have been some problems with contractors, but most projects are close to completion and most of the funds committed had been spent.

Mayor Morton stated that the Council should know what is spent on capital improvements and everything else. The concern is what it costs citizens and doing the best for them. Mr. Crum stated a capital summary is done monthly.

Alderman Newman said if Council was not going to referendum now, he would not want to bind them to a future referendum and one for only the Crown Center would be different than the package before them. He would not want to put only the Robert Crown Center and the beach kiosk on a referendum. Alderman Rainey interjected that he was not talking about her proposal. He thought they would take the field money and tennis courts in 2003 - \$115,800 for soccer fields and move to 2001; move \$900,665 baseball fields to 2001; move irrigation of Bent, James Parks baseball/soccer fields to 2001; move the tennis court renovations at Ackerman, Bent, Burnham, Cartwright, Crown and Fitzsimmons parks to 2001 and also move \$89,000 for Crown tennis courts to 2001. He would do that because there is no commitment to do the fields as of now and a possibility the Council will change in two months. Right now there is \$3.5 million committed in capital improvements and last year they spent \$5 million. What he had just added was between \$1.3-1.4 million. He did not think they could attack the capital needs of the City and only spend \$3.5 million this year. Every year they spent \$3.5, instead of \$7-8 million they lose \$2-3 million to take care of unmet needs. He thought if they are truly committed to addressing these problems they must be addressed now. He wanted to consult with the Recreation Board about the alternative on the table and, at a minimum, talk about what they can do today. He had no problem with adopting the plan and directing staff to fund the parks in the strategic plan for phase 1 and 2 and committing money in 2002 for the rest of the basketball courts and soccer fields. He said any child playing soccer or baseball today would probably have to wait 3-1/2 years if the motion was adopted. He has found that the needs are pressing. He did not want to leave today, after all the work by staff and the Recreation Board, hoping that in 2003 they would get Council to fund \$3-4 million in additional projects and hoping that Council would not have overwhelming needs that would make that type of commitment an economic impossibility.

Alderman Rainey thought that the Recreation Board's timing for these projects probably went through a lot of discussion and thought; accepted and respected that scheduling and thought the reason the projects were planned in this timeframe was because that would be the best way to execute the program. If that was not right she wanted to hear from the Recreation Board. She saw no difference in the commitment to these projects by dividing the question between structural and renovation issues. One problem she saw was how the lump sum would be spent if they went to referendum. She asked what is the dollar per square foot construction cost for a new Crown Center building? She said if they pick an amount and the same thing happens as with the garage (a cost of \$18 million initially and ended up at \$21 million) there is not a construction project around that does not come in over. They have to count on that.

David Hodgman, Recreation Board member, could not address cost per square foot. He said this plan contemplated a level amount of funds and tried to prioritize how those would be spent based upon a needs assessment. Because of the time to get the Crown project up and running, that was scheduled first. He stated if they don't go to a referendum and do not have to devote the bulk of funds and staff time, which is limited to those priorities, he believed they should start immediately on critical needs to improve the outdoor fields and start the process on Crown.

Alderman Rainey thought it important not to impose an overwhelming burden on the taxpayers and that the projects should be spread out. She did not see how they could push all field renovations into one or two years.

Mr. Hodgman said projects could be accelerated from this proposal and did not think it could be done in one year, but over the next few years.

Alderman Rainey stated, with the intent of adding something that is affordable to the tax bill, could payments be spread out - \$10 million over 5-6 years. Mr. Stafford stated it depends if they want to add to bonds there is flexibility in spreading it out. If they add \$1.5 million to the Capital Improvement Program that would be about \$150,000 annually and a reasonable number. Pay as you go is something else. \$1.5 million in cash annually, would result in a significant tax increase. Alderman Rainey thought her amendment in 2001 was about \$381,000 in actual cash outlay for the projects and that Mr. Hodgman's presentation pointed out some of the confusion. That was the first time she heard that the reason for the schedule was because so much construction was planned for Crown Center. She thought the schedule for the field renovations was so that fields were not taken out of use at the same time. Mr. Gaynor stated that Alderman Rainey was correct. They cannot take all the soccer fields out of play and re-do them. The plan was developed with the loading of Crown Center in the first year with \$381,000 for other purposes. As they went forward, they started doing fields. It was based upon how many fields could be out of play and how many could go into play for the amount of money being expended annually. If Robert Crown and the kiosk were not in the mix, they would suggest these projects be moved forward.

Alderman Engelman noted that Mr. Stafford's figure of \$11.6 million over seven years was bonding for one-seventh of \$11.6 million annually. He contemplated spending \$1.5 million yearly so if they want a level increment, they would instruct the Recreation Board to prioritize what projects they want for each of the seven years. The debt service would be an additional \$160,000 per year, less than ½ of 1% of the City's portion of the tax levy.

Mayor Morton asked if there were funds for Foster, Butler and Mason parks from CDBG funds? Mr. Gaynor stated they were not successful in getting CD funds for parks this year. A number of the projects were pushed back because of a lack of funding. Mayor Morton thought over \$1 million had been spent on those parks and asked if funds supplied by CDBG would be deducted from totals for park funds. Mr. Gaynor stated that annually they make a proposal to CDBG and annually get significantly less than they request. Anytime CDBG funds are received it takes the burden off the Capital Improvement Plan. There is no guarantee of CD funds annually.

Alderman Feldman confirmed that they would pay \$160,000 annually in debt service for the first year and each year thereafter for seven years. Mr. Stafford pointed out that they will have \$3.5 million in debt service coming off and in three-four years \$4.5 million coming off. Mr. Crum stated that other things will be added such as streets. \$160,000 would be paid annually and is cumulative.

Alderman Newman referred to Option G, strategic plan, with a referendum passed in April, and asked if they would be able to plan for all improvements? Mr. Gaynor stated they would hire consultants, plan for tennis courts and field improvements. Alderman Newman asked if Council passed the motion on the floor, the money would not be allocated until 2003, could they do any planning for the fields currently? Not without the allocation, according to Mr. Gaynor. Alderman Newman asked when they get to 2003 and go forward with the soccer, basketball courts and irrigation systems, would it take another three years to get those projects done? Yes. If they were to make a commitment that day to basketball courts and soccer fields \$115,800, softball and baseball fields \$909,000, irrigation \$285,000, tennis courts \$282,000 and lighting for 2001 budget year, could those improvements be completed by 2003. Mr. Gaynor said they would be completed in 2004-2005. Mr. Gaynor stated he could not go to groups and tell them the City was taking out all the fields for the next two years while they renovate. They have to stage it and that is why it will take three to four years to get it done. Alderman Newman thought to make a first stab by the Recreation Board, they need to make a commitment of money now; stated option G was too slow. He urged they address the most serious needs and make a commitment of money in 2001 and start planning.

Alderman Newman made a substitute motion to move the 2003 column – the basketball court renovations, soccer field renovations of \$115,800, softball/baseball renovations of \$909,665, irrigation for Bent and Crown Park, Foster Field, James Park and soccer fields, tennis court renovations for Ackerman, Burnham Shores and Crown Parks and tennis lighting at Crown Park into the 2001 budget, which comes to about \$1.3-\$1.4 million. He also moved they allocate \$200,000 for planning a new Crown Center and directed staff to incorporate remaining park improvements that appear on schedule G into the capital plan. Seconded by Alderman Feldman.

Alderman Rainey said that Alderman Newman had moved into the year 2001 close to \$1 million in court and field improvements for Robert Crown Center and it seemed ridiculous to schedule that kind of expenditure next year when they might be siting a new building there. She thought all the field improvements should be eliminated for Robert Crown until they find out how the new project is sited. Alderman Newman accepted her suggestion.

Alderman Bernstein confirmed that Alderman Newman's motion was to fund improvements with this year's capital budget. Alderman Newman said there is a \$4 million bond being proposed. If they add \$1.5 million in spending, they will have to find \$150,000 for debt service and thought the City could do that. He noted that last year staff had suggested the City needs at least \$5 million annual spending on capital improvements while he thought they should be at \$7-8 million annual spending for capital needs. He thought deferring the fields at Crown until they have an overall plan made sense.

Alderman Engelman was confused about what funds pay for what fields at various times and thought the idea was to fund projects in a manner the public could support and afford. He thought they were talking about funding \$11.6 million evenly over seven years at \$1.5 million a year. Council sets policy and he thought Mr. Gaynor, staff and the Recreation Board would determine the most important projects and what should be done first. He found the motion before them confusing.

Alderman Bernstein said the community has shown that recreation is a priority and was willing to commit funds to the process. If they fix the fields, analyze Crown, meet with the neighbors and come back with a better plan, they should do it.

Alderman Rainey thought \$1.5 million a year an exciting prospect and could not believe the soccer, baseball and tennis people would not embrace that. In moving these projects from the year 2003 to the year 2001, the items in Alderman Newman's proposal would just about shut down James Park, which made no sense. She thought \$1.5 million shows respect for a reasonable, non-disruptive pace for doing these projects. She asked staff, excluding acts of God, to tell them whether projects from 2003 could be added to 2001 projects and accomplished within that year?

City Manager Crum suggested if the Council wanted to make a commitment for an additional \$1.5 million towards debt service for parks, that money could be kept separated exclusively for projects on this list with the exception of major construction. If that is the direction they are going, they are under a time crunch and have to answer with a commitment to do that, staff will bring that back phased into the Capital Improvement Plan. Do they wish a referendum this year or if not, do they want to commit \$1.5 million towards debt service for these projects? If it is the latter, staff would bring a schedule for discussion at a future meeting. Alderman Rainey confirmed the \$1.5 million would be in addition to the \$4 million in the capital plan and financed over seven years with debt service retired over 20 years.

Alderman Rainey noted in discussion of interest expense for issuing bonds, that this was the first time outrage was expressed at issuing bonds. She said the City issues bonds all the time and asked Mr. Stafford to present interest payments since 1997 when this Council was seated. She could not believe that Council was just realizing there is an interest expense with issuing bonds and did not think they should delay projects for the purpose of paying-as-you-go, especially in the case of long-range capital improvements.

Alderman Wynne asked if they were looking to borrow \$1.5 million additionally each year or going out for a \$11.6 million lump sum now? Mr. Crum explained the motion is a commitment of \$1.5 million this year with the understanding there would another \$1.5 million for each of the next six years. She noted that Council is elected to be stewards of assets and they don't go to a plebiscite on everything. She thought that if Council could make this commitment and the parks division selects the priorities, it would be better. Her concern was that future Councils might not follow through on this.

Alderman Feldman wanted the difference in cost in the first year of spending \$1.5 million versus Alderman Newman's suggestion. Alderman Newman stated it was about the same.

Alderman Drummer stated he would stand up for pay-as-you-go acknowledging that the City has bonded over the years. He noted the Federal government had borrowed for years and recognized the need to get out of debt because of large interest costs. He was not suggesting everything be pay-as-you-go, but when faced with the possibility of having \$600 million in debt, they have to be more responsible and talk about how they can be creative with some things. He recognized they could not build a garage downtown on the pay-as-you-go basis because it is dependent on anticipated revenues. He said when going to taxpayers for a referendum, it is the safest form of revenue they can get because it is from taxes. He suggested they tell citizens what it will actually cost when all the debt is paid off. When they borrow \$11 million and pay the debt off over 27 years, about \$22 million will be paid out. Alderman

Drummer asked, if they got \$1.5 million in cash per year, what would be the cost on a property tax bill of \$10,000? Alderman Drummer's initial proposal did not put the project out later than 2003. His suggestion to put it to 2003 would allow them to acquire sufficient funds to drive the project and to generate dollars in subsequent years. He thought that would be brave, but initiating a bond issue was not brave. They bond and end up paying a lot of debt. He was not against any of the plans but he rearranged the numbers presented to use it a different way. He said when you don't have to count your own money, but somebody else's money, anything goes. He suggested they needed to think of this as "their" money and how could they make this work? This was particularly true when the City is already strapped with debt. He noted they are talking about putting another \$1.5 million onto the capital plan and debt service above the 9.1% in new taxes proposed for the year. He urged them to be creative, noting they can get a bond anytime and the bonding company loves Evanston with its Aaa rating. He stated if they sell this to citizens, people must have confidence that citizens are getting the biggest bang for their buck. With the referendum they would only know \$11 million will be borrowed and it will take 27 years to pay for this and they will pay twice as much as they bargained for. He referred to the recent District 65 school district referendum in which citizens were told the referendum would not raise their taxes. What the District did not tell citizens was the bond issue they tagged it onto was scheduled to run out in three years. So instead of getting a reduction in taxes, citizens will pay the same amount for 20 years beyond what was originally scheduled. He said the average citizen won't understand this and even Council has a difficult time understanding it.

Mr. Stafford stated \$1.5 million a year on a referendum would cost 5.84% in debt service, which translates into 1.1% on the total tax bill or \$110 a year on a \$10,000 tax bill. Mr. Stafford stated it would be an increase of 1.1% on all tax bills and cost \$85 on an \$8000 tax bill. Alderman Drummer stated conceivably they could pay off the project before it was completed and suggested it was worth thinking about.

Mayor Morton was saddened that this item was before Council in an election year. She stated re-assessment of property is coming up, sewer bills are going up by 10% and everybody is paying more for natural gas. She sees people all over Evanston, even wealthy people who are hurting, and cannot afford more money for taxes than those in the 2nd and 5th wards whose homes are being foreclosed. People moving out are selling their homes and going into condominiums. She stated the average tax bill for those who live along the lake is \$25,000 a year and what the average taxpayer is paying in every section of the City, according to the Cook County Assessor, is a serious issue. She was sorry this was not delayed until next year, when this proposal would have received a different reception and there would be tax money from new condominiums. She said the Capital Improvement Program already includes improvements and this adds to the burden. She said it can be done but at what sacrifice of quality of life? People want to hold onto their homes and not have them foreclosed. She has people coming into her office with that problem. She thought it had gone beyond sanity. She wanted every park improved, the playing fields drained and noted the renovated park she sees from her home has not been used for two years. Mayor Morton stated when a veto comes, it should be discussed; urged Council to think about what is best for the citizens of Evanston. She suggested all those citizens who wish to give more money for parks and recreation and to Robert Crown Center could do so in lieu of having everyone's property taxes increased. She asked how can a business that pays \$5,000 a month for a tiny space due to high taxes stay here?

Alderman Engelman thanked Mayor Morton for bringing them back to reality. He stated that all believe due to the outpouring they heard, that some ask, why not put out all questions to voters? They don't because this is not a participatory democracy but a representative democracy. He stated many believe there is a need for renovating the playing fields and the community may believe there is a need for this but not want to spend the money for it. He appreciated Alderman Drummer's suggestions about creative financing and the idea of pay-as-you-go. It would save a considerable amount of money and says to taxpayers -- do it, bite the bullet for seven years, then get a tax decrease. He did not know how the recreation people would feel about that because if they go for a referendum they would have to sell it. Will they go to a referendum to sell a \$11.6 million improvement? They came to Council with a \$35 million request. He suggested perhaps the decision belongs with the voters because they are not going to do a 20-year bond issue, but a seven-year pay-as-you-go to save interest costs. He stated it would only work if somebody was willing to sell it to the public. The Recreation Board and Recreation Department brought this project forward and he did not want to impose a referendum upon them that they might not want to push. He suggested amending the substitute motion to ask the public if they are willing to spend \$11.6 million over seven years for renovation and improvements to fields that would result in a 1.1% increase to their tax bill.

Alderman Newman said a substitute motion was on the floor that was articulated by the City Manager, which was to put \$1.5 million into this year's Capital Improvement Plan and to come back with a plan as to how that would be spent each year to take care of needs in Option G over that period of time.

Alderman Rainey asked that the Recreation Board respond to Alderman Engelman's inquiry.

David Hodgman, Recreation Board member, stated that the board chair, Marion Flynn, was not present. He could not speak for the board, but for himself. Due to the effort, expense and time involved in doing a referendum, if it were to be done properly, he thought it would be a shame to do it for what had become a modest proposal. He thought for what has been distilled on the list currently under discussion, it should not be necessary, noting the community had expressed critical needs.

Richard Marberry, Recreation Board member, said three members were present. On behalf of himself, he believed, if all members were there, they would agree with Mr. Hodgman. He said there is a tremendous amount of time, money, effort and people to be expended to sell a referendum, a difficult process. The Recreation Board was willing to go for a referendum on the original \$35 million proposal. He agreed that this was a modest proposal and a referendum was not the best way to approach it.

Alderman Newman stated various payment plans were originally on the table. One was pay-as-you-go for a \$10,000 tax bill that would add \$319 annually for six years. Another was Option A, which required a \$19-20 million bond and would have added \$140 per year on a \$10,000 tax bill and \$70 annually on a \$5,000 tax bill. He said for the year 2001, they will increase capital spending by \$1.5 million, which would result in an annual increase of \$150,000 in debt service annually. He noted the proposed 9.8% increase in property taxes would generate \$2.4 million in revenue and all they were raising was \$150,000, a miniscule amount in the property tax. He said that nobody has suggested raising property taxes to raise the \$150,000 annually. They can decide to reduce \$150,000 in the budget somewhere else and make \$1.5 million in improvements without increasing the tax bill a dollar. He suggested some of the problem they have had in dealing with their needs is an unwillingness to prioritize. He was glad this issue was coming up in an election year because it is one of the fundamental concerns people have. He would rather have the community know his position. He believes, along with other Council members, that they have to make the fields where children play, recreation facilities that are important to low-income residents and the City parks something they are proud of. He thought by adopting Alderman Rainey's suggestion, they will address needs of the parks over a certain amount of time. When they get into higher needs, he thought they would have to go to voters. He thought they were showing that these improvements are needed desperately now because of the kind of community they want to live in and that Council was concerned about what was best for Evanston.

Alderman Drummer advised all to read the fine print and listen to the double talk behind it when they buy something. He pointed out they will have to pay \$150,000 this year in debt service and the same amount for the next 27 years. He said the City has to pay debt service and has no revenue source for it without cutting something else. He asked them to go back to the \$35 million bond issue proposal from the Recreation Board, which would have resulted in an increase of \$310 per year on a \$10,000 tax bill. Those were not his numbers. He was talking about re-arranging the numbers they have. He stated that for the \$150,000 in debt service, he could give \$100,000 right now, by increasing a projection. He asked what if the projection does not come in? He said the safest way to pay is through an increase in the property tax. He noted they can cut \$150,000 from somewhere else to pay for debt service this year and still have not faced the proposed 9.1% increase in property tax for this year. He asked how that would be cut? He took issue with those who called \$11 million a puny amount of money. He thought if the \$35 million was worth fighting for, the issues involved in the \$11 million were just as important. He thought if it takes a little fighting for the referendum to get across for the next two months, to do it. He asked why they did not want to do that? He stated Recreation wants to be given the house when the City has all these other projects. They want the house and don't want to take \$11 million. He thought it a good amount to get started, when the City has done nothing about streets, the Civic Center and other needs.

Alderman Kent was glad they were down to \$11 million. If they go with whatever the number is, he was concerned that the Recreation Board came to them with the central focus Robert Crown, whether it should be rebuilt or a multiplex built there. They knew what a referendum for \$35 million would include. Though the \$11 million is easier to digest, they know hearings on repairs and with the neighbors, that within two years Robert Crown will come back

to the Council and it would be for a large amount. He noted there is no men's hockey league there anymore and asked where will they be in one or two years? He wondered if they have lost the focus of the Recreation Board.

Alderman Rainey was surprised to hear the terminology "modest proposal" and saw only the Robert Crown proposal as controversial. She did not think there was huge support for what was proposed and had received more calls on snow removal than on soccer fields. She was impressed with the need to renovate the parks, fields and irrigate. That is what she heard people clamoring for. She heard people ask the City to improve the quality of the recreation spaces they have to get better use, so children will not get hurt and to maintain the fields as other communities do so children can play to the best of their ability. She did not think this was a modest proposal and supported it. She thought the Robert Crown proposal lacked information. When she asked the cost per square foot of a new recreation facility, nobody could give her a ballpark number. What is the size, where will it be sited, and what are the pros and cons of renovating the current center versus building a new center? She did not think those questions had been answered sufficiently to go to residents and say they don't have the answers but want it paid for in advance. She could go either to bonding or a referendum on the \$11.6 million. She said they ought to get on with it and believed it needs to be done. She was concerned with Alderman Newman's motion and did not think it made sense to take items that have been spread out by moving them up to the year 2001. She hoped that Alderman Newman would withdraw that motion and that the projects would be whatever staff can do reasonably with \$1.5 million per year.

Alderman Engelman confirmed this would cost \$150,000 in debt service every year for 27 years. He said \$150,000 was a miniscule amount in the budget and not a great impact on taxpayers. Paying it down in seven years has a great impact upon the taxpayers and he thought it made sense to take that to them. When this first came to Council as a \$35 million project he did not think the City could afford it and that a referendum would not pass; thought it would be hard to pass as a \$22 million project. He thought an \$11 million project was easier to sell to the public and those advocating for these improvements are not willing to sell it. He would like to see this on a referendum because it would save the taxpayers money and help the City manage long-term capital needs knowing they would not have to pay back the \$11.6 million. He said the last thing any of them want is for a referendum like this to lose. If a referendum for \$11 million for parks loses, they would have trouble getting anything in the future.

Alderman Bernstein thought the controversy on Robert Crown began because of a lack of contact with Crown Park Neighbors; that there was no controversy that Crown is falling down and something needs to be done. The difficulty faced by Crown neighbors was that this was a fait accompli. Not only was it coming down, but a multiplex to rival Skokie's was going to be built. He did not think Crown Park was large enough to accommodate a multiplex facility and there was also the difficulty of adding to people's tax bills. People tell him they want Crown fixed. He noted that two engineers concluded that it should be replaced. \$200,000 will be spent on consulting fees to investigate Crown, where it should be sited and neighborhood meetings held. He would like to see Evanston's parks safe and functioning. When it rains the Crown Center roof leaks and the walls are separating from the roof. They are told this is not a safety problem. When they talk about an \$11 million referendum, that does not address needs at Crown. He asked what are the square foot costs to resurrect Crown? Where could it be located with better parking? Current parking is inadequate. There is a skateboard park in place of a basketball court. Initially he was against a referendum for a particular thing. If going for a referendum, he wanted to know where the dollars would go. He would just as soon go for \$20 million, because ultimately they must fix Crown. He did not think it would be razed, but re-created in a different way with a better plan. He termed the \$1.5 million annually for the fields a Band-Aid and suggested they may as well be inclusive and bite the bullet. To him, \$11 million was a lot of money. He liked Alderman Drummer's suggestion and said just because they have always used bonds, they don't have to continue. Council should think about other methods of revenue production. His concern regarding a referendum is the lack of time to educate the electorate. In an election year, there will be a lot of energy on the streets. He did not want to put anything on the ballot that would fail. People in the 4th Ward remember the proposal for \$35 million and the multiplex and he favored doing everything they can to fix the parks and Crown Center.

Alderman Newman stated for a \$10 million bond for a year, a household with a \$5,000 tax bill would pay an additional \$32. For a household with a \$10,000 tax bill, the increase would be \$60 annually. To him it made no sense to do a referendum for \$10-11 million. A \$20-30 million referendum has much greater impact. Today, they are starting a plan and committing \$1.5 million to park improvements. He pointed out for the past 20 years, when they did capital improvements, as with the police/fire headquarters of \$4 million improvement, about \$400,000 was allocated for 20 years to pay off the bonds. When the library was done in 1991, the City planned to spend \$21-22 million and pays \$2 million a year on 20-year bonds. Both were done without a referendum. It was not new to fund

something for 20 years. He said that any capital improvement they do will be financed with a 20-year bond. If this project isn't done, whatever they do they will have to bond for 20 years. He thought there was no need for a referendum because what they are proposing would not have a significant impact on tax bills. He understood staff would take \$1.5 million that was being added (the original amendment only increased spending in 2001 by \$300,000 because Crown Center was out) and would come back with a plan for doing fields and courts. Instead of starting in 2003, improvements would start in 2001. Some planning money would go into the hopper for Robert Crown.

Alderman Feldman clarified that three items were on the table: the original proposal, Alderman Newman's proposal and the City Manager's proposal of \$1.5 million to move the projects up to 2001 and come to Council with a plan. Alderman Newman said his proposal was withdrawn. Alderman Rainey asked that the \$1.5 million be plugged into to her proposal. Alderman Feldman confirmed that \$200,000 would be included to plan for Robert Crown.

City Manager Crum stated this would be added to the Capital Improvement Plan and next Saturday they would present a new capital plan and how money would be spent on parks, then discuss budget alternatives. Alderman Feldman thought the approach for Robert Crown was reasonable and all constituencies would be pleased.

Alderman Drummer agreed that the City has been bonding for years but it did not mean they have to continue. He said that Alderman Newman had said for 20 years a taxpayer would pay \$60 annually for a total of \$1,200 on a \$10,000 tax bill. On a pay-as-you-go, the taxpayer would pay an additional \$85 on a \$10,000 tax bill for seven years for \$600. Did they want to pay \$600 or \$1,200?

Alderman Newman said that Alderman Drummer was correct. Using the \$10,000 tax bill, on a 20-year bond, it would be an additional \$140 for 20 years for a total of \$2,800. Using the pay-as-you-go, it would be \$319 times six, which would be \$1,800. It would cost less to go with pay-as-you-go. He pointed out that when doing park improvements that will last 20 years, who should be paying for it? Different sets of people would pay. When the \$2,800 is spread over 20 years he did not see that much difference. He said there was no question that they would spend less. Pay-as-you-go would cause the taxpayer to come up with twice as much during that six-year period. Alderman Newman called it a judgment call and respected Alderman Drummer's view.

Alderman Drummer thought it was a bad argument about whom would be paying for what in the future. He noted that they would pay for sewer improvements over 30 years and many people will use the sewer after they are gone.

Mayor Morton said they need to look at an increase in the property tax for one item. Usually there is a cost-of-living increase and other increases taxpayers will have to endure. She thought it unfair to say this would be cost \$140 a year when there are other increases taxpayers have to bear.

Alderman Newman moved to add \$1.5 million in capital spending in 2001 to address fields, tennis courts, baseball field irrigation; to address planning issues for the Robert Crown Center and to adopt the plan under Option G to fund parks on that list at \$1.5 million per year for seven years. Seconded by Alderman Feldman.

Roll call. Voting aye – Bernstein, Kent, Engelman, Rainey, Feldman, Newman, Wynne. Voting nay – Drummer.
Motion carried (7-1)

Alderman Rainey asked for alternatives for revenue generating items. Alderman Drummer asked for an explanation of how fund balances are built up and was only interested in unbudgeted revenue that contributes to a surplus.

There being no further business to come before Council, Mayor Morton adjourned the meeting at 12:25 p.m.

Mary P. Morris,
City Clerk

A videotape recording of this meeting has been made part of the permanent record and is available in the City Clerk's office.