

ROLL CALL – PRESENT: Alderman Kent Alderman Newman
Alderman Moran Alderman Wynne
Alderman Rainey Alderman Bernstein
Alderman Feldman

A Quorum was present.

ABSENT: Aldermen Drummer and Engelman

PRESIDING: Mayor Lorraine H. Morton

A SPECIAL MEETING of the City Council was called to order by Mayor Morton at 9:25 a.m. Saturday, February 3, 2001 in the Council Chamber for the purpose of conducting a workshop on the proposed 2001-02 City of Evanston budget and 2001-2006 Capital Improvement Plan.

CITIZEN COMMENT:

Richard Stillerman, 2330 Park Place, asked that expenditures be examined and judicious cuts made; noted the path of ever-increasing taxes and fees is destructive to the fiber of the community and will continue to force out people with modest incomes who were born, raised and work here and who are a vital part of the City. He echoed Mayor Morton's call for a halt to the "spend and tax" cycle. He reported in the past two months receiving gas bills more than 2-1/2 times last year's gas bills and sympathized with others who were hit with the gas increases as well as increases in property taxes and sewer fees. He referred to City Manager Crum's message on January 6 that stated "revenue trends do not keep up with inflation." While that was true, he suggested looking at expenditures as a way to balance the budget. He observed Evanston is not a community chasing a population explosion, even though more people will live downtown in the future. He noted those apartment dwellers will not place any undue burden on City services and will increase tax revenue by residing in new buildings and buying in Evanston. He commented that the City Manager had explained that more than 57% of the increase of the \$3.4 million in the General Fund expenditures was related to personal services. He was astounded to read about the number of full-time employees (FTE) in the budget appendixes. In the 1996-97 budget year the City had 807.05 FTE and in the proposed 2001-02 budget there are 860.67 FTE, an increase of 53.62 in five years and these increases were not in police/fire. In 1996-97 there were 222 employees in the Police Department and in the proposed 2001-02 budget only 214 employees. The Fire Department had an increase of one employee from 1996-97 to the proposed budget. Increases were in Information Systems, which grew from 1.65 FTE in 1996-97 to 20.75 in the proposed budget. He suggested if efficiency was improved with technology that fewer employees should be needed to accomplish the City's work. Finance grew from 23.5 to 27 employees; Community Development from 32 to 38; Public Works from 82.51 to 91.51; Recreation from 80 to 104. He noted even with removing six employees for tree trimming, there is a substantial increase in employees since 1996-97. He stated if they assume 53 employees on average cost \$28,000 in salary and benefits, that is an increase of \$1.5 million for those new employees and does not include increases at contract time for other employees. He thought that citizens want a high level of basic City services delivered efficiently and did not think that meant Evanston must have every service one can think of. The community must have police, fire, refuse pickup, sewer, water, street maintenance, parks, recreation and some special services for lower income and elderly residents, but then the list of services dwindles in importance. He said it was incumbent upon staff and Council to hone in on priorities and make some cuts. He stated if they believe citizens want taxes and

fees to rise annually, they are mistaken and that if they believe that most citizens oppose reductions in expenditures and shrinking or elimination of certain programs in exchange for holding the line on taxes, they are mistaken. He thought that is what most citizens want and it was their job to see that happens for the good of Evanston.

City Manager Roger Crum said they would go over plans for park improvements using an increment of \$1.5 million for each of the next seven years. That would be followed by the Capital Improvement Plan, an update on where they are on budget revenues/expenditures as of that date and alternatives to balance the budget. Staff suggested if they don't finish that day, that Council could consider using Monday evening after the public hearing to discuss budget alternatives to see if they can arrive at a budget to be on the February 12 regular Council agenda.

Assistant City Manager Judith Aiello stated after last Saturday's workshop, staff incorporated into the five-year capital plan and the 2001-02 capital budget the parks/recreation projects that were amortized by the Recreation Board. Staff wanted to focus on the park plan for five-seven years and the overall five-year plan and to go over policy issues and get some direction from Council as staff implements plans.

Parks and Recreation improvements. Parks/Forestry & Recreation Director Doug Gaynor reported the Recreation Board had met and reviewed recommendations of staff that sets out a schedule for the next seven years to achieve programs that were originally recommended by the Recreation Board. The charge from City Council was to bring these programs into a seven-year schedule, excluding Robert Crown Center and the lakefront beach kiosk. There is \$200,000 for a Crown Center study in the first year; then soccer, baseball fields, tennis court and light renovations, and basketball court renovations, which are spaced out so there is an appropriate number of projects staff can administer and work with affiliated groups so those organizations can achieve goals while some fields are out of service. He noted parks that would be renovated were a continuation of redevelopment of existing parks that no longer meet playground certification requirements and ADA, upgrade of equipment and other amenities. He noted there are ongoing projects that have been funded annually and because of their specific relationship to facilities. They have to continue to do lakeshore riprap improvements for erosion control. He explained that park maintenance furniture refers to when any component in the parks breaks down, that piece will be replaced or repaired. The life of this equipment is usually 15-20 years. Under Crown System repairs, there are system failures on an annual basis in operating Crown. Additional projects were originally recommended for this year's capital plan and for the most part are administered by Facilities Management, the department that manages and repairs City property. The last category is CD projects, Phase II of Bent Park and a portion of the Fleetwood-Jourdain fitness equipment replacement.

Alderman Bernstein recalled the City received \$250,000 from the State of Illinois for soccer fields and a dog park near Sam's Club and asked if that was reflected in this budget? Mr. Gaynor said the \$250,000 is in the capital plan and a small portion had been spent for design. Alderman Bernstein asked if the soccer fields at Sam's were included in the 2001-02 budget? No. Alderman Bernstein thought funds were received for a cooperative effort with Skokie to build soccer fields and was that reflected anywhere? Mr. Gaynor explained staff will design and begin construction of soccer fields in 2001 using matching and other funds and the initial \$250,000 the City appropriated two years ago.

Mayor Morton asked what Council appropriated last year for the renovation of James Park. \$1 million. Mr. Gaynor stated that has all been encumbered and the City is in pre-stages of litigation with the contractor because the contractor had gone well over the time for completion. The project is in a punch list phase, which means it is 99% complete. They will try to settle it and pay final bills. Mayor Morton asked what was done at James Park? Mr. Gaynor said a primary component was rehabilitation of an existing building that accommodates soccer/baseball storage and meeting space for about \$500,000. Mr. Gaynor explained the building was expanded and renovated. They built a new playground area, renovated a number of ball fields, backstops, players benches and bleachers and did some work in the community gardens. A walking/jogging path was developed throughout the park. He explained irrigation was added to the community gardens, more fencing and gates for access. Mr. Gaynor stated more money has been appropriated for this next year.

Alderman Newman did not think \$1 million was allocated for James Park in last year's capital plan; that money was accumulated over a number of years and they started funding it four or five years ago. He recalled in 1997, one of the first things they did was to allocate funds to finish the job and asked for clarification. Mr. Gaynor stated they had \$1 million budgeted and a matching grant of \$250,000 from the state which was matched by the City.

Alderman Feldman in reference to baseball/softball renovations for the infield at Crown for \$522,000, asked what they were doing? Mr. Gaynor explained that was infield and outfield and included irrigation. They would take the field out of service, re-grade the entire field, install some drainage and irrigation systems and replant for a couple of seasons to grow back turf. That was projected for 2006 and done purposely to have a study completed as to what they want to do at Crown. Alderman Feldman noted at James Park there is \$700,000 allocated for four fields and asked if that included irrigation? Yes. Mr. Gaynor explained that irrigation puts the water there and a drainage system removes excess rain from the field. Alderman Feldman asked how drainage was constructed? Mr. Gaynor stated each park has a different approach. James Park would be the most challenging because it is built on a landfill and they don't know how far down they can go. He described some of the different methods used. Alderman Feldman assumed the drain systems would not cost the same. Mr. Gaynor explained that each system would be decided individually at each location by consultants and costs would vary.

Alderman Kent said many of the fields are used as neighborhood parks where kids play pickup softball, etc., and as they begin to close fields he suggested they consider a rotation system. He noted at Crown, during certain times of the month, there can be football from 8:00 a.m. to 4:00 p.m., followed by soccer from 4:00 p.m. until dark. He asked whether they would look at park maintenance and seeding fields properly during planting season? Mr. Gaynor said that currently when a field is taken out of play for a year, they re-grade, re-seed and fence it so it cannot be used. The fields they will irrigate are candidates for what Alderman Kent suggests. He noted now when they re-seed in the spring, if it is dry, they don't have grass. With irrigation systems in fields they can re-seed in early spring and over-seed in the fall. He said regarding over-use of fields, there is not enough land here to accommodate everybody. He noted soccer has 1,800-2,300 kids participating, 150 teams, and would need 75 fields to play games and 150 fields to practice. The fields don't get a chance to regenerate. They are looking at rotation and re-seeding.

Alderman Rainey confirmed that irrigation at the community gardens meant installation of spigots. Four outlets were added. Mr. Gaynor would provide the cost, which was small.

Mayor Morton asked what the large encumbrances were for James Park? Mr. Gaynor said when a contract was let for James Park, it was signed to complete a number of tasks for \$1 million. One was about \$500,000 to renovate, repair and expand the existing building; another for the playground; another for a walkway or circulation pathways. Mr. Crum explained the work has been done and there was a dispute concerning final payment. Mr. Gaynor stated the contractor was 84 days over on completion of the contract. In response to Alderman Rainey, Mr. Gaynor said it is Continental Construction. Alderman Newman was disappointed to see how long it took to complete the contract. He pointed out that James Park is 45-acres and there are plans to spend \$200,000 on parks comprised of two acres. He thought one could argue, based upon acreage, that \$1 million was woefully inadequate considering usage of James Park. He said there was a lot to do in James Park and it would probably take a decade to do it.

Mayor Morton asked if the softball/baseball fields were also used for soccer/football? Mr. Gaynor said yes, in some cases. At James Park, the configurations of baseball and soccer fields, some outfields of the baseball fields are part of the soccer fields. There is a need for coordination between these groups in scheduling games and with the Recreation Department. That is another example of over-use of areas. They believe the soccer fields by the channel will provide a significant amount of relief. At the Mayor's suggestion, staff measured the field at Twiggs Park for baseball and soccer. He noted they are small spaces. It would be the smallest soccer field and could be used for practice. Mayor Morton thought that more space would be available when the long-term sewer project is completed at the far end of the channel bank.

Alderman Moran asked what has been spent at James Park for the past several years. He recollected committing \$1 million for each of three years. Mr. Gaynor will provide an update in writing.

Alderman Feldman pointed out improvements at James Park were the result of community meetings that people attended and requested the improvements including the circulating path. He said James Park was a huge playground and formidable for senior citizens to use and they wanted a passive park. Alderman Feldman asked about benches? Mr. Gaynor stated that benches are part of the plan and some have been installed with more coming in spring. Alderman Feldman asked about the bird sanctuary? Mr. Gaynor said that is in the design phase. Alderman Feldman said that James Park is a gathering place for families from all over the City. He called it a jewel that has long been neglected and needs additional work. He thought considering the use, it was worth every penny they spent.

Alderman Moran asked how much money was budgeted for the bird sanctuary? Mr. Gaynor explained that is a portion of the redevelopment of the hill. It provides for the top third of the hill to be reconfigured, fenced and have a walkway around the top with benches. The majority of money will be spent on the northeast side where the sled hills are. The bird sanctuary is on the southwest side and calls for fencing, a path and some benches. He said it was a minor portion of the redevelopment of the hill to make it safer and to have more acceptable uses. Mr. Gaynor will provide the cost of the bird sanctuary.

In response to Mayor Morton, Mr. Gaynor stated they had separated out the fields to see how many they would address with the amount of money they have based on square footage. The irrigation system at James Park would be large. All fields cannot be taken out of use at one time. At the front end of the project, they do the design and then the irrigation on some fields so they will have the capacity to do other fields. It will be a coordinated effort. Mr. Gaynor said they have ten baseball fields and seven soccer fields.

2001-02 Capital Improvement Budget. Ms. Aiello showed all projects for the 2001-02 year, to which the parks and Crown study was added, noting all but one are repeat projects except for Church/Dodge Parking Lane Improvements for \$50,000. She pointed out the City's match for the CMAQ grant of \$200,000 was in to redo the Ridge Avenue traffic signal. They have added the City's part for the Howard St. streetscape - \$600,000, a continuation of a project in cooperation with the City of Chicago. She noted continuation of improvements to Fire Station #3.

Alderman Bernstein asked if the cost of replacing street light ballasts was \$250 per light? Public Works Director David Jennings stated the minimum cost is \$250-350 per light. There are 5,500 streetlights. There is money set aside for this and \$75,000 would be funded this year. He explained the City has \$250,000 put away to begin this project. The pilot program was started several years ago and now they are ready to move ahead. He stated this year staff will know what this project will cost. He thought over 3-4 years, an expenditure of \$3-4 million would be needed to get the job done. Alderman Wynne asked how long ballasts last recalling a few years ago the decision was made to go with the more expensive, longer-life system. Mr. Jennings explained that when the ballast is removed and a new lighting system is put in, it will have a 20-year life with lower wattage and the same intensity so the long-term effect is lower power costs for the same level of lighting. About 300 streetlights will be done a year. Mr. Jennings explained the dimmest ones are put in first. Mercury vapor lights decay and would probably be in the same order as the street light upgrade, which was done 20 years ago.

Alderman Wynne asked for more information on the CMAQ program for Ridge Avenue and the 80/20 match by the federal government. Mr. Jennings reported the request for federal construction funding was approved and the City will have \$1.6 million to spend on the Ridge Avenue, Church and Davis Street traffic signals. There are 21 traffic signals, 12 of which are to be completely rebuilt and 9 upgraded. The ultimate goal is to tie them together in synchronized fashion. The construction will occur in 2002. Alderman Wynne noted CMAQ funds were applied for Chicago Avenue and the City was turned down. She asked if the City would resubmit the request? Mr. Jennings said another packet was prepared. They broke the Chicago Avenue, Sheridan Road corridor into two parts and they would resubmit both parts. No money has been allocated. Alderman Wynne asked about feedback? Mr. Jennings explained there is none, but there is a ranking and Evanston was not near the top. They are in the final design phase on CMAQ and about 50% finished.

Alderman Feldman asked about the popularity of a ballast replacement program? Mr. Jennings said it would be well received. Had Jennings received requests from aldermen and citizens to improve lighting? Mr. Jennings said there is a general consensus that lighting is too dim. A survey done 10 years ago showed 50% said the lighting was okay and 50% said it was too dim. Alderman Feldman has received many requests for increased lighting mostly for safety reasons. He asked under optimum circumstances to trim trees, is there a built-in conflict in the way the tree-trimming program exists and getting the most light from streetlights? Mr. Jennings stated that the tree trimming program assists with better street lighting because there will be a better path between the tree and the ground; thought there would always be some conflict due to trees and the lighting design chosen. Alderman Feldman asked if fixtures were shorter, how would that affect things? Mr. Jennings said if the fixtures were closer to the ground, there would be less distribution of light and the number of fixtures would have to be doubled. Mr. Jennings said trees always produce some light blockage.

Alderman Moran asked about the two lines for 50/50 curb and sidewalk, two lines for alley paving program and a line for block curb replacement and for a refresher on what each category is meant to do and why they were broken out the way they are? Mr. Jennings explained they are broken out because citizens pay for half of the projects, but the City still has to borrow money to pay the contractors up front. In alley paving, half is funded by property owners and half by the City. Block curb replacement is 100% City funded. Alderman Moran asked why some would be 100% funded and others funded at 50/50? Mr. Jennings said the 50/50 program is a request program for small pieces in front of resident's homes. The block curb is a replacement of an entire curb at one time. If the streets are redone, curbs are redone also. Alderman Moran asked how many alleys would be paved? Three. He asked if there was any financial commitment to pave more than three? No. Mr. Jennings said that is the request level at this time. How many blocks of unpaved alleys are in the City? 300. Mr. Jennings did not think there were CDBG funds for alleys.

In response to Mayor Morton's question about \$1.7 million for Fire Station #3, Ms. Aiello explained that was a continuation of renovation in this year's capital budget for about \$1.3 million. As planning and design work started, staff realized another \$1.7 million was needed to complete that station. Facilities Management Director Max Rubin said Council would receive a report from Cath & Associates soon. Cath recommended tearing down the building, keeping the basement and foundations and build upon that for \$3 million. The same footprint is kept and they don't have to do excavation. Cath believes it would take more time to renovate the facility and it still would not work. The width of the front of the station and depth do not work for the current apparatus. Rigs are bigger. They have a plan to deal with that and he thought they would be happy with it. Alderman Bernstein asked when the station would be built? Mr. Rubin said as soon as Council approves the concept, they would go out for bid for architects and start construction. The station would be out of service for 12 months. Alderman Rainey reminded Council that this was before the A&PW Committee for some time and was sent to Cath with a staff committee to discuss all possibilities of putting the station in operating order. Whatever Cath and staff decide, the committee indicated they would support. When Cath comes back with the report it will be presented to the committee and Council. She said it is a project in the planning stage and this is an estimate of the cost. She said the important thing is they have agreed to do it and thought a fine job would be done.

Alderman Moran asked about the Church/Dodge parking lane improvement? David Jennings said on the south side of Church, west of Dodge there is an existing parking lane that serves area businesses. They have designed a way to move the parking lane further south to get it out of the traffic lane. He stated that intersection works poorly during peak loads, which occur when school lets out and parking is needed at the same time. Alderman Rainey had concerns about the northeast corner that has a vacant lot with dumpster storage. At that curb, she said 99% of the time a car is parked illegally, which eliminates any northbound traffic because there is one lane going north. To pass, a driver has to go into the southbound lane. She suggested to enhance that intersection, to look at condemning part of the vacant lot, widen the street, or use traffic enforcement. She has seen a police car parked there for security purposes many times with the illegal car in full view. She asked that that corner also be addressed. Mr. Jennings will look into the matter. He noted people park in the bus stop. Alderman Kent said the parking lane came about to get business owners and managers to park on the street and from neighbor's complaints.

In response to Mayor Morton, Mr. Jennings stated that masonry repairs and cleaning at the service center have not yet been done.

Ms. Aiello noted the General Obligation bond debt for this year's capital budget was about \$5.5 million. In addition, if necessary and the City is ready to issue bonds for the Sherman Avenue garage rebuilding, that will be added to the five-year plan. The \$5.5 million is incorporated into the five-year plan for planning purposes. The only budget the Council approves is the capital budget and the four subsequent years of the five-year capital program, a planning document. Each year Council has the opportunity to review and re-prioritize what they want to do. In the original transmittal memo, staff provided some policy issues about the scope of capital needs. Some \$283 million has been identified and \$5.5 million a year will not get the City there quickly. At some point, either the Council and/or the Budget Policy Committee would work with staff to provide some direction on the entire capital-spending program and policies. There were a couple of options identified for Council to consider in directing funding. She stated staff hoped in the coming months this would be a priority of Council. She noted in the spring the result of the street study will be available and it will probably cost \$70 million to improve the streets properly. Along with the parks program, those are two major capital areas to focus on in the next seven years. She pointed out other areas, including the Civic Center and some other public buildings where they need policy direction. She reported that last week's request for expenditures were on a buff colored sheet and if there were questions to call staff.

Alderman Feldman asked what the \$283 million would accomplish; confirmed that this was needed to maintain the City's infrastructure and not to add new buildings and currently spending is at a rate of \$5.5 million. If the City continued to spend \$5.5 million, would it up the cost due to increased deterioration? Yes. Ms. Aiello stated the longer the City waits the more deteriorated a building may become, so they may have to totally rebuild as opposed to rehabbing. The City Manager stated it was the same with streets; if left too long, they cannot be repaired, have to be dug out and start over. Alderman Feldman identified these as physical assets of the City. Ms. Aiello stated that would include streets, street lighting, and sidewalks.

Alderman Rainey requested a table of contents for budget memos.

Current budget status. Management & Budget Director Pat Casey went to Budget memo #14, which is a revised estimate on two revenue sources: the real estate transfer tax (\$100,000) and the combination of building permit revenues (\$260,000) so they gained \$360,000. They also have a new levy that reflects the \$1.5 million in annual park improvements. They were at a proposed tax increase of 7.88%. The increase on a \$10,000 tax bill would be 1.45%.

Mayor Morton asked about the utility tax? Finance Director Bill Stafford said the City would net out at \$200,000 between added revenues and the City's utility bills, which are up. Mr. Crum explained this is a tax on natural gas bills that consumers pay and the City also pays gas costs, so the net increase for the City is about \$200,000 for this year. Mr. Crum said if Council wishes to use this to lower the increase in property tax, they would not object to use of it as one-time revenue; stated that rebating would be too complicated. Mayor Morton strongly recommended this be rebated to citizens. Alderman Rainey noted on the Gas Utility Tax and the Natural Gas Home Rule Tax that the City was 1% behind in projected collections; was concerned about setting aside money at that time, but agreed if it was available to use it to offset the property tax increase. She asked if the City has seen any of that money and how is it collected? Mr. Stafford responded that they have some of it and collected for December, which came in January. A projection was done with the gas company as to the amount the City would have to pay on both sides of it for January and February. The information Council received did not include additional tax collected. Mr. Stafford explained the Natural Gas Home Rule Tax is a "per therm tax" and the other is on the gross amount of the bill. The City gets a greater windfall on the gross amount, as opposed to the per therm tax, but it would rise because December was colder. Alderman Newman noted utility bills go up and down with water budgeted for more than received. He did not think the \$200,000 should be rebated, but applied somewhere else. If they applied it toward the property tax, it would have to be made up next year. He noted the liability fund is unfunded and the City knows of three or four lawsuits, which will have to be paid. He thought in rebating it would be pennies and did not make sense in terms of the budget. Mayor Morton spoke of sensitivity to taxpayers. She said in representing citizens, anything they could do to provide tax relief should be considered.

Overtime. Alderman Bernstein noted in budget memo #12 that \$2,158,800 was spent on overtime in the 10 months of 2000-01 fiscal year. He added budgeted overtime in the Police Department was roughly \$280,000 for the 2001-02 year with much of it for court time. He thought the difference of almost \$800,000 in overtime for police through December was an incredible number and either due to inefficiency or poor scheduling. He asked why more people are not hired. City Manager Crum stated overtime is a good use of funds; had a former police chief who said if there was not 5% of overtime in the police budget, they were being inefficient because they have to target times and emergencies rather than being staffed round the clock. They may need five people at once, not one per shift. There are also many special events. He said overtime in the Police Department should not be eliminated because it ruins flexibility in handling problems on the streets, however, that overtime is targeted for reduction in areas where it can be avoided. It requires additional work. Overtime is a standard part of the Fire Department because they work in shifts. If somebody is gone on a shift, somebody has to be drafted to fill that vacancy. It is hard to avoid it totally.

Chief Kaminski explained some overtime is for special details such as football games and special events, and details handling special problems in the community. One of the biggest problems is the transition of hiring new people and the lag time it takes to train people when they still have to staff the position. New hires are at the academy and in the field-training program. While going through this massive transition, they still need to have staff on the streets. They have suffered in specialty assignments and when a big case comes up they have to provide overtime for it. There are also injuries, which fluctuate. This past year several officers were injured on off-duty time. Currently, they try to keep patrols up. When they get a special case they devote resources to it so there is no compromise to public safety. He said it was a tough period for the department to deal with the transition and to get staffing levels to one point and

all workable. Alderman Bernstein said nobody want streets to be devoid of officers; noted some \$740,000 was spent this year. Chief Kaminski stated they were down 23 officers at one point and it takes a year to get an officer on the street. He thought the department has worked well, but the adjustments were difficult. Alderman Bernstein asked if they can expect reductions in overtime? Chief Kaminski revealed that over the last three years the Police Department has hired more than 50 people. That is a lot to transition. He said it is an old department – with many new people and many looking to retire. A new pension law was passed and officers will use that option. He thought that overtime was the only way they could maintain staffing levels. He cannot afford to close down specialty assignments. They are doing the best they can to manage in the circumstances.

Alderman Feldman asked what is paid in overtime? Chief Kaminski said it is time and a half and, in some contractual situations, double time. Alderman Feldman understood that overtime eliminates the need for full-time staff positions. Chief Kaminski explained that officers who are on injury status are paid and the City still has to staff for those positions. Alderman Feldman understood that if they had more staff they would not save what was spent on overtime. Mr. Crum stated they cannot eliminate overtime. Chief Kaminski said if they had a staff that could be available for special details and assignments, they could save on overtime but that would be putting a complement of people on regular salaries. Alderman Feldman was trying to figure out what the difference would be in having full-time persons and eliminating some overtime costs, but not the total of the overtime figure.

Alderman Bernstein stated if they eliminated the half time and double time they could have that many more police officers on staff. Chief Kaminski said at times they still have people out for court time, sick time and injuries, and in-service training – there would always be hireback costs.

Alderman Rainey noted \$286,000 was spent on overtime for special events and asked whether the City was reimbursed for any of it? Chief Kaminski said there is some reimbursement from NU for the homecoming parade but for the majority of events the City is not reimbursed. She asked if this included traffic detail for football games? Chief Kaminski explained the City covers anything on the public way. NU pays for hirebacks for the parking lots and inside the stadium. For traffic control around the stadium, the City pays. What else might be reimbursed? Hirebacks for events at ETHS are reimbursed. Alderman Rainey suggested that might be an area where the City could look for assistance. Alderman Rainey noted special events in the Police Department at \$286,000; hirebacks total only \$113,000; \$43,000 for communications and \$139,300 for court appearances for officers not on duty. Another expenditure she thought worthwhile was \$48,000 for the North Regional Major Crimes Task Force (NORTAF), noted those people solve homicides. She thought they have \$629,600 of Council approved overtime. When the City has special events coming and some ask to waive fees, they can either accept it or start charging.

Alderman Newman thought July 4th was a large overtime expense. Chief Kaminski said July 4th overtime is close to \$50,000. Alderman Newman noted for football games, the City collects \$500,000 in athletic tax.

Alderman Newman referred to page 427 of the budget asked if those were seven-year bonds under debt service for Fleet Service? Mr. Stafford stated they were. Mr. Stafford said the \$1.2 million will start falling off in fiscal 2003-04. Alderman Newman went to page 425 and asked if expenditures for equipment were increased by \$237,000? Mr. Stafford noted they were. The City believes expenditures for Fleet Services ought to be around \$2 million for the next two years, but would go with \$1.1-1.2 million. In three years the bonds will fall off and they will have close to \$2 million a year. The City has a \$15 million fleet and average depreciation is seven years costing \$2 million annually to replenish. Alderman Newman asked if the \$237,000 could be reduced to \$100,000. Mr. Crum stated staff would not recommend it.

Changes in Liquor Regulations. Alderman Wynne referred to budget memo #15 and noted projection of \$100,000 could be generated if all options in Section 2 were implemented. Mr. Casey said those are combination stores that could increase sales by expanding hours of operation to 8:00 a.m. - 12:00 midnight; eliminate the need for a separate area and cash register system and have checking at regular cash registers; permit stores to do cross marketing and allow cold beer/wine sales in all grocery stores. Mr. Casey did not have a figure on restaurant sales and the impact of any changes. He thought if they eliminated the requirement that a full meal be served with liquor outside the downtown, sales would probably pick up but he had no way of estimating that. Alderman Wynne stated she has lived here since 1988 and was not here for the “dry” period. She asked if there were good policy arguments for these requirements? Mr. Casey speculated that it was a way to get into the liquor business, which they did slowly and carefully. Now they are at a point where Sam’s Club and the grocery stores have good training programs and

employee policies. If an employee sells to an underage person, they are fired. He noted the Jewel on Howard St. sells \$35,000 in liquor weekly. In response to Alderman Wynne's question about "Bassett" training, Mr. Casey explained it is for people who sell liquor to learn proper identification and other things about selling liquor. Alderman Wynne noted all the stores would incur extra costs due to training. Mr. Casey stated the stores would not mind doing that. He explained how selling liquor works in stores outside Evanston, which do not have separate cash registers and use managers to check on liquor sales. Alderman Wynne thought they have a good system in place; should consider eliminating this requirement; know the vendors and saw the potential to raise \$100,000 or more. Mr. Casey stated there have been no complaints from Jewel/Osco, Dominick's or Sam's Club. Mayor Morton thought that after Evanston was dry that Council had instituted prudent rules for liquor sales.

Alderman Moran asked Mr. Crum to prepare suggested reductions in expenditures without a dollar figure. He asked for perhaps 10 suggestions in discretionary areas where they could eliminate all or a material percentage of the potential increase in property taxes. He said he did not have a good knowledge of operational aspects of the City and the day to day operations; acknowledged the Council's substantial responsibility. He asked for options from him on potential reductions of expenditures that could go toward reducing the \$1.348 million figure substantially.

Alderman Feldman asked if eliminating the requirement that a full meal be served with liquor would allow taverns? Mr. Casey explained in the downtown area, with the appropriate license, liquor is sold without a meal being served, but the kitchen is required be open. There would not be taverns. Alderman Feldman noted that neighborhood taverns have sandwiches and soup and would that meet the requirement? Mr. Casey stated it would depend on the need to further define intended uses. Alderman Feldman confirmed the projected \$100,000 increase from combination stores would be from sales and asked the range of increased sales. 15%-50%. Mr. Casey thought the vendors would make a great deal of money by allowing this change, so that an increase on either license fees or tax on sales would not be a problem. Alderman Feldman asked for an estimate of increase in license fees or tax. Mr. Casey stated the current tax is 6%. Alderman Feldman asked for an estimate based on a 2% increase on package sales.

Alderman Newman found the liquor memo tricky; thought when they get into other issues and are on Dempster, Main, Noyes, there are restaurants that close at 10:00 p.m. that are not disruptive. When they start changing restrictions close to residential areas, that is another matter. Jacky's Bistro wanted to have an outdoor café that was across the street from condominiums. One suggestion was to not restrict package stores in the downtown. Did that mean every 7-Eleven would sell liquor? He saw broad implications for some suggestions. He appreciated Alderman Moran's request and said the issue is personnel – are there real savings there? He recalled a report on whether to close or keep open the South Branch Library that was controversial. Using that as an example, or the purchased service program that they tried to cut \$50,000 several years ago, the City Manager can say most communities don't use purchased services. He thought in terms of the budget gap, it is more than asking the City Manager to find savings. What they have found in the past was, the City Manager can ask all departments to cut their budgets. The next thing Council knows, people from the community are protesting cuts when the departments were following the manager's request. To attack the \$1.348 million gap, he suggested a joint project of the City Manager and Council. He noted Mr. Stillerman's comments about increased personnel in Information Systems, and said that many want good information systems. He did not know whether the increase was due to Y2K or how many should be there but would be glad for Mr. Crum to look at that. He thought there are situations they are locked into, such as contracts with labor, which are justified. He recalled last year Council talked about privatizing sanitation with savings of \$700-800,000 annually. He thought the *Evanston Review* made a good point, if people don't want higher taxes, to suggest budget cuts. He recognized how difficult that is.

Alderman Bernstein had no problem asking the City Manager to compile a list of suggested expenditure reductions and maybe an across-the-board cut of 2%. He noted that Zeltee Edwards lived with a \$150,000 cut in the Streets & Sanitation budget this year. In response to Alderman Bernstein, Mr. Casey explained that by eliminating the need for two transactions in combination stores, there would be an increase in sales due to convenience to the customer.

Alderman Rainey wanted to understand how the liquor amendments would come to the A&PW Committee. She asked if they would go through the Liquor Commission? No. Alderman Rainey made a reference to the A&PW Committee all of the recommendations except for the following: allowing package stores outside the downtown core area; eliminate any reference to allowing sales in drug stores and convenience stores and the creation of a live music license be on hold until a music venue comes to Council. She would leave in consideration of a late night license. She asked for this to be placed on the next committee meeting agenda. Mr. Casey said the entire Liquor Ordinance

would have to be re-written so this could be ready for the second meeting in February. She wanted to express interest to the liquor licensed community that there is work going on in this area.

Alderman Rainey asked to place a 1% food and beverage tax on the board for consideration. She did not want to add any more than the 1% tax to poured liquor sales and the 1% tax would not affect packaged liquor sales. She asked for numbers on increasing the renewal fee, license fee or the liquor tax on packaged liquor. Alderman Rainey recalled seeing that a 1% tax on food and beverage would bring in \$800,000. She explained it was a one-penny tax on a one-dollar purchase. Mr. Stafford confirmed such a tax would generate about \$800,000. The reason she did not think they should eliminate the tax on poured liquor and impose the food and beverage tax only is because there are many establishments that would be affected that do not serve alcohol. To impose a larger food and beverage tax would be detrimental to family oriented restaurants.

Alderman Wynne agreed that Evanston does not need more package liquor stores. She had concerns about eliminating the full meal requirement; did not think they had the ability to fully consider that during the budget cycle and requiring the kitchen to be open was not a sufficient buffer. She noted the 3rd ward has a number of fine restaurants that are assets to the community but they are over the fence from single-family homes. Liquor licenses there were granted with a clear understanding of what that meant. She thought there would be a lot of community discussion. She noted that now, outside the core area, restaurants that serve liquor are required to have a full meal. Alderman Rainey asked that the full meal requirement not be sent to the A&PW committee with other adjustments; thought the real impact would be in grocery stores and agreed the other would require a lengthy discussion.

Alderman Moran asked that the reference include creating a new liquor license for live music venues. He suggested such a license might send a signal that would stir interest. He sees live music in the central business district as a positive effect. The idea of making Evanston a live music mecca is desirable and would increase vitality downtown.

Mayor Morton asked the City Manager to take a serious look at reducing overtime in general. She asked for a listing of all new positions created referred to by Mr. Stillerman. She asked whether the new positions coincide with what was in last year's budget. She asked if Administrative Adjudication was making money? Mr. Casey reported that in its first year, Administrative Adjudication had concentrated on collecting parking tickets and that revenue is collected better than in the past. This next year will be the test of adjudication when all other items are brought in. An extra \$150,000 has been budgeted for revenue from adjudication. Mr. Casey confirmed with Mayor Morton that parking ticket revenues had been projections.

Alderman Rainey noted the issue being held by the P&D Committee on fines for building code violations to go to Administrative Adjudication will be an important item in the City's budget and in the community's quality of life. She said the sooner it moves to Administrative Adjudication the better off they will be. She reported in last Friday's housing court, an important member of the Property Owner's Association who had asked the committee to hold this was in court on a garbage, litter and trash violation. There were several residents there and the judge fined this landlord more than he would have been fined under Administrative Adjudication. She encouraged the committee to allow the Council to vote on this quickly.

Alderman Rainey asked to place the \$200,000 from the natural gas tax up on the board. She wanted to reduce the late fees on water bills. She has talked about it for two years; noted the City charges 10% on late water bill payments, noting that is more than ComEd and anybody else. She asked that it be reduced to 5%. Mr. Stafford stated an internal analysis was done and they could live with 5%. She asked if it is a budget item? Mr. Stafford said the City does not budget for penalty fees. Alderman Rainey said that there are citizens who occasionally don't pay on time and they are paying this fee. She asked for something in writing on the late charge.

There being no further business to come before Council, Mayor Morton adjourned the meeting at 11:55 a.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.