

ROLL CALL – PRESENT: Alderman Rainey Alderman Drummer
 Alderman Feldman Alderman Bernstein
 Alderman Newman Alderman Kent

A Quorum was present.

NOT PRESENT AT ROLL CALL: Aldermen Wynne and Moran

ABSENT: Alderman Engelman

PRESIDING: Mayor Lorraine H. Morton

A SPECIAL MEETING of the City Council was called to order by Mayor Morton at 7:12 p.m. Monday, February 5, 2001 in the Council Chamber for the purpose of conducting a public hearing followed by a budget workshop.

Public Hearing on the Proposed 2001-02 City of Evanston Budget

Chuck Bodkin, 2124 Forestview Rd., lifelong resident asked that property taxes be held down; commended the Mayor for trying to keep taxes down and was sorry that aldermen overruled the Mayor. A senior citizen, he was concerned that seniors won't have a voice in this City. They cannot handle increased taxes and higher taxes mean there will not be age diversity here, just the young who make good money and the poor. He understood the head tax went by the wayside and asked what happened to negotiations with NU? He was disheartened that the referendum to improve parks did not go to the voters.

Scott Walton, president, Evanston Community Media Center, asked friends of ECMC to stand. He pointed out they are a unique resource for the community and have had a public access station for a number of years. He thought ECMC was probably the best in the Chicago area (other than Chicago) and that some came here to take advantage of this resource. In 1999, the City gave ECMC \$280,000 and the City got about \$340,000 from the cable franchise holder. He noted the City gets 5% from the franchise holder from cable subscribers. Last year ECMC received \$270,000 and the same was budgeted for this year. They understand the City will receive \$410,000 from the cable franchise and recognize that the City's budget is tight. This level of funding would mean substantial cuts for their program. Last year they sold about \$10,000 in equipment due to upgrades and received some equipment money from the cable franchise holder. This year there is none. They have a switcher going down. If that breaks and cannot be fixed, it means they will have one studio out of service. Without the switcher they cannot do video work, only audio work. The cost is at least \$10,000 and they could spend more. Their rent, payroll and costs go up like everybody else. They figured the normal CPI increase would be another \$15,000 on a base of \$280,000. He stated ECMC needs \$305,000. If access users had to go to a commercial editing house to rent equipment and studio space they would pay over \$900,000. They do it for one-third of that amount at ECMC. He said they have cut everything they can; rent is a fixed cost. They are a large electricity user; pay health insurance and salaries don't go down. They pay real estate taxes since they don't own the facility, which is a substantial portion of the rent that the landlord passes that onto them. The only place they can cut is personnel, which would result in serious service cuts. He showed a four-minute video of 2000 highlights.

Glen Hill, supported ECMC's request for more funding; represented ETHS as program director with Joe Carroll, who is the TV production teacher. They wanted Council to know the importance of ECMC to students. He noted they started in 1983 and have programmed until present. The high school just received \$150,000 to renovate its television studio. He thought it important to provide the best equipment possible to provide students with the tools to enter the work world. The high school uses ECMC for internships and collaborative efforts. He said that improved resources are important to community youth.

Judith Treadway, drug prevention educator, said she was one of 20 non-profit members of ECMC; explained the value of ECMC to a cable show she has produced where more than 200 youth have been trained in production, filming, and editing. She related youth learn how to plan, produce, host and develop questions. She was pleased youth could develop an alternative to drug use and acquire a skill and noted without this resource as an alternative to drugs, it would make her job harder. They value the target training at ECMC that sets up a block of time and trains youth over a three-week period. She said many pursue careers in television and film. She recognized the support of parents and the schools for this program, which allows young people to have a voice that is comfortable to them, do research and learn how to be a volunteer. She was proud of the youth who have completed the program and asked that the percentage of funding be increased.

Patricia Sims, related that she was the hostess for First Night and co-host for the Fourth of July parade and appeared on other programs; said ECMC brings a valuable resource to Evanston and asked for support for funds.

Herb Sims, stated that ECMC gives him the opportunity to be a good citizen. He has volunteered for more than seven years; has produced programs for YOU, Evanston Ecumenical Council, various churches, Starlight concerts, the Reporters and summer festivals. He said the station gives him the tools, space and knowledge to present Evanston in the best possible light and urged that a reasonable budget request be granted.

Russ Tornabene, resident for almost 20 years, stated he spent 52 years in television and 30 years at NBC News. He produces videos and is a volunteer cameraman at ECMC. He stated television is the most powerful means of communication in the world and is dominant in all countries. He stated commercial television has three goals: profit, profit and profit. He asked them to compare that to Evanston community television, which has three goals: service, service and service. He is as proud to work as a cameraman at ECMC as he was to be a vice president at NBC. Providing financing will enhance the work of ECMC, whose service goals will be diminished seriously if funding is inadequate. Funding for all shows produced here in a year would not buy a minute on the Super Bowl.

Steven Lang, member ECMC, former board member and former Cable Commission member, hoped Council will agree to ECMC's request for additional funds. On a social philosophical level, he stated that ECMC provides the community with a platform where the best of Evanston can find a place for expression. Examples were Senator Berman's program, the program "Our Town Evanston," the former jazz ensemble, and numerous faith-based programs. He stated ECMC brings the community together and provides useful information about how it functions. On an aesthetic level, he thought ECMC as a continuum of many great contributions in politics, art and literature that Evanston has made to the national community over the last century. He cited Secretary of State Charles Dawes, Marlon Brando, Charleton Heston, Jennifer Jones and Patricia O'Neal and contemporary writers such as Margaret Landon, who wrote *Anna and the King of Siam* and was an ETHS graduate. He hoped the Council will generously support community television and consider increased demands that have come with technology.

Ellen Schrodt, stated public access cable is a good means of communication and was glad it is available here. She has been associated with "Our Town Evanston," a weekly talk show that is designed to boost Evanston by airing conversations with community leaders who provide information to local viewers. She has been a regular user of public access since 1989 and values the opportunity to use the studio on a regular basis.

Mike Cichowicz, is a professional musician who has a passion for minor league baseball. He explained minor league baseball caters to fans and the entire family can go together to ball games. His dream was to create a television show about it. He took classes in production, editing and graphic design at ECMC where he learned how to use the equipment and produce a program. He is beginning his fourth year of broadcasting and his program has received recognition from peers in cable, executives in minor league baseball, ESPN and Fox Sports Network. He is close to a deal with ESPN for a documentary about minor league baseball that will air in October. Without the help and dedication of ECMC and its knowledgeable and caring staff, he would never have gotten this project off the ground.

He asked Council, in the best interest of the community and for those who have dreams as he did, to allow the media center to continue its worthwhile purpose.

Rena Hicks, resident since 1986, recognized the heavy responsibility Council bears and prays for them to make right decisions on challenges. She stated the media center is a needed community asset. She said they try to raise wholesome families and the media center provides wholesome television programs as an alternative to the sex and violence on commercial television. She described the ECMC staff as professional and courteous. She has had a talk show called "A Cry for Love" for 2½ years. The goal of her program is to motivate people to become better citizens through love. She gets feedback that her show is educational and practical and that people have been able to apply principles to living. She said the media center makes possible work that individuals cannot accomplish singly and was proud to be part of that. Her program's cast respectfully requested that the Council not decrease the service or quality that ECMC provides. She said it is critical to all that full support of ECMC continue without decline.

Terri January, has a show on community television called "Adam's Garden of Eden." She volunteers with dietetic technology, nutritional trends, calories, food safety and sanitation. The show has many guests and gives information about food, vitamins, and natural remedies for arthritis and heart disease. She said people volunteer to do this work and her son participates by producing at the center.

Josh Binder, said through ECMC and ETHS facilities he has been able to write, produce, edit and make movies for more than four years. It was the best thing that ever happened to him because it gave him direction. He just applied to film school with a video portfolio from this experience. He hoped Council would continue to fund ECMC because it will help other youth like him who come to learn. This was the best way for him to express himself as an artist and hoped others could continue to do what he likes to do.

Steve Bartlebaugh, executive director, Evanston Community Media Center, passed out letters from people who could not attend. He urged those who don't have cable television to sign up for it. He recognized that Council, by funding the media center in the past, understands what it is about and believes in what they do. In 1998 the center received \$280,000 of the \$340,000 franchise fee. The franchise fee has gone up above \$400,000 and they received \$10,000 less last year. Last year cable communications was budgeted at \$322,500 and this year at \$295,100, so there was a cut in that budget. When they took the cut, they increased their fund-raising activity but cannot expect to have a huge increase in fund-raising annually because they have a staff of four full-time, four part-time employees and are non-profit. He pointed out a staff member was upstairs directing this meeting live for cable and two part timers were at District 65 King Lab school shooting that meeting live on cable. Someone is at their studio answering phones and other duties. Another person is teaching an introductory class to train people at the facility. If they don't have money, obviously those cuts would have to come. One of the services that could be missing is service such as Council or District 65 meetings. He said Evanston has provided the means to be a premier, nationally known access center. For ECMC to continue they would like a percentage of the cable franchise fee, such as 4%, which would give them certainty annually. They recognize the difficulty due to budget needs, were happy to demonstrate a need and hoped Council understood if money came from the franchise fee, new taxes would not be required.

Raymond Summers, president, AFSCME Local 1891, represents 162 City employees who work in Parks/Forestry & Recreation, Facilities Management and Public Works. He stated these numbers have stayed the same for the past four years. He noted during budget discussions, mention was made of cuts in personnel and possible reductions of services. Members of 1891 believe that is premature. They understood those suggestions were made in lieu of a property tax increase. He asked them to consider that Evanston is 138 years old and currently undertaking a vast infrastructure revitalization as witnessed by the large sewer project to relieve flooding in basements, businesses, streets and schools that the old sewer system could not handle. He asked them to consider new construction being done throughout the community to build commercial buildings and condominiums for people who wish to come here and the services that are required to maintain parks and trees, collect the majority of refuse, maintain streets, water/sewer systems and traffic control systems. Evanston has growing pains and cannot afford cuts in personnel and services. Eventually the projects will be completed. They recognize that it is difficult to pay increased costs and do business here. About 50% of their members live here, were born here and are raising families here. All understand that if Evanston is to make progress it must be paid for -- progress is not free. Those who live and do business here must pay for it now. He stated privatizing services will only cost more money in the future and does not work in a community like Evanston. As members of the largest labor union in the nation and a part of Evanston, they view public service as a noble calling. They have information and resources that can be used by staff to

streamline services to make them more affordable wherever possible. They are willing to sit down and discuss them one by one. All have an interest in the progress and stability of Evanston.

Jim Schermerhorn, 2733 Central St., resident and property manager of a dozen buildings with more than a dozen tenants in retail stores, stated that real estate taxes paid by landlords are passed on directly or indirectly to tenants. High taxes make it harder for storekeepers to succeed here and higher taxes will make it even harder. He said in Cook County residential housing is assessed at 16% of market value; buildings with seven or more apartments at 33% and stores/office buildings at 36%. When real estate taxes are raised stores/offices and commercial buildings are hurt more than homeowners. He understood that sewer and water rates had to be raised and NU kicks in on those, but not when real estate taxes are increased. He asked that City expenses be compared to those of other communities with 75,000 people, in dollar amounts and percentage of expenditures to the total budget for basic services such as police, fire, streets and sanitation. Those all need to be funded so the City runs smoothly. He wants to see what other communities spend on arts programs, social services and other programs not used by all people that are funded here. He asked how could the City raise money by increasing the wholesale cost of water to other suburbs? Residents who pay real estate taxes and water bills are paying more than their share. Businesses such as restaurants use a lot of water, pay a lot in real estate taxes and for water either directly or indirectly. He hoped that some agreements or contracts coming up for wholesale water sales from Evanston's filtration plant to neighboring communities could have wholesale rates increased. He suggested there are regional problems being tackled by the City and Township.

Alderman Rainey asked staff for an explanation of how the court was involved in the water rate to Skokie.

Mr. Crum stated that the City has two separate water contracts. One is a 40-year contract with the Northwest Water Commission (four-cities to the west) that was signed in the early 1980s. The City challenged that contract in the late 1980s and lost so it is in place with no opportunity for re-negotiation other than a cost-of-living adjustment annually. The City has a separate contract with the Village of Skokie, which was up in the early 1990s when his predecessor attempted to raise the price substantially and was challenged in court also. A compromise was reached whereby Evanston is paid a fair rate by Skokie compared to the other cities. That contract contains a cost-of-living increase and is in effect for another 15 years.

Alderman Newman appreciated the suggestion of Mr. Schermerhorn. Alderman Drummer pointed out water sold to the two entities is at a wholesale rate; that water sold to the Northwest Water Commission is cheaper because it is not under pressure and water is higher to Skokie because the pressure is supplied by Evanston to pump it to their citizens. He said the City makes profit on that. The water enterprise is profitable and some of that is transferred into the General Fund. He agreed that the unfairness comes when Evanston residents are charged so much money it is difficult to justify it.

Ra Joy, community access director, YMCA and lifelong resident, said they were currently collaborating on a project to introduce youth to the career field of video production. The program is called Strive, which is a job learning program for middle school students. At the "Y" for 4½ years, he developed this program to introduce youth to different career fields. This year they selected video production. They have 15 youth from every middle school in Evanston participating. They teach new skills and provide participants with a way to use those skills. Youth work together to produce a television show and they reflect throughout the experience by keeping a journal. He said students have learned to operate a video camera, the difference between a floor director and a director, different camera shots and angles. They are assigned to watch television with a critical eye. He said ECMC is a resource to the community and thanked them for offering this opportunity for youth to express themselves. He asked that Council consider ECMC's request for funds.

In response to Alderman Rainey, Mr. Stafford stated the cable franchise money was listed in licenses and permits and the amount budgeted was \$400,000. In response to Mayor Morton, Mr. Crum explained the City collects 5% of the gross cable revenue and then decides how much to grant to ECMC. Alderman Drummer noted on page 94, ECMC was listed at \$270,000 and asked if ECMC provided any revenue? Facilities Management Director Max Rubin said in the 1980s franchises were new and trying to get into town. The City got a 5% franchise fee and additional money from the cable company to operate the public access entity. At the end of that franchise in 1996, the City got a franchise fee of around \$320,000 per year and \$450,000 from the cable company (some of which was in-kind rent). With new laws and a new franchise, cable companies don't have to provide that anymore. The City

ended up only getting the 5% franchise fee on the current cable franchise. That 5% the City gets is from subscriber fees. They have estimated revenue at \$400,000 in the coming year. Mr. Crum pointed out they went through a period where they got equipment money from the cable company. The first three years it was \$100,000 per year. The last year was \$250,000 but that was passed on to subscribers. All new equipment was paid for by subscribers. The City funneled the money to ECMC and they provided some equipment to ETHS. They are meeting to negotiate a new franchise and the City expects to possibly have another cable company. Some of the franchise fee was to cover the cost of negotiating the franchise. Mr. Crum stated some allocation goes to Mr. Rubin to cover administration and oversight of the franchise. Mr. Rubin noted the proposed budget is \$270,000 to ECMC and the rest for hiring a consultant and an audit.

Steven Bartlebaugh stated ECMC raised an estimated \$70,000 last year. Their total revenue for this year was \$339,000, with \$270,000 from the City and \$69,000 from production funds.

Alderman Drummer stated the City has been generous and has done an outstanding job of stimulating this operation and keeping it viable. He suggested that ECMC has an opportunity to raise capital, noting no one pays anything for production or purchases commercial time. He believed that as they look to the future if they keep the City portion at \$270,000 they could raise funds and grow. Mr. Bartlebaugh said they are similar to Channel 11. They have to be careful because their mission is based on the 1st Amendment of people being able to access the equipment. If they have a \$10,000 client and somebody with pennies and both want editing time, can they be fair? He thought there is a natural progression. Alderman Drummer stated there is no more money and they will find new resources. They are talking about the City supporting something 100% and only half the homes here have cable. He thought it a good service; the future of cable television is strong and every entity in town is facing the same thing. For years on the CD Committee they have had entities that came and were counseled to reduce their reliance on CD funds. He suggested that is what they need to do now.

Mayor Morton declared the public hearing over at 8:35 p.m.

Budget Workshop

Alderman Rainey noted Council had received projections on the poured liquor tax and information about the food and beverage tax in various communities as well as increases in packaged liquor tax and license renewals. She was not interested in increasing the poured liquor tax, but in increasing the package liquor tax and the license fee tax. She asked that an 2% increase for packaged liquor for \$175, 817 and 30% license and renewal increase for \$65,130 be placed on the board and requested that the staff place the license amendment on the A&PW Committee agenda.

Alderman Newman asked if communities that have a food and beverage tax also have a poured liquor tax? He wanted a comparison in taxes with the new 1% food/beverage tax and to know what restaurants pay in Evanston and Chicago? He thought this could be misleading if they don't have a poured liquor tax. Mr. Stafford responded that the majority of these communities do not have a poured liquor tax. Alderman Newman asked for a comparison on the packaged liquor tax in Skokie, Wilmette and Chicago.

Alderman Rainey's assumption on the food/beverage tax was 1¢ on \$1 or 10¢ on \$10 and it was not significant whether others charge or not. If they do an analysis of what Schaumburg or Park Ridge charge for food and alcohol, at the same time she wanted an analysis of police department, crime rate, level of human services and various kinds of comparisons that can be made. She did not want to single out one method of comparing. It cannot be done. She read in 1999 the Village Manager of Skokie, pointed out that Old Orchard was generating in excess of \$7 million in sales tax just for the village alone. Skokie has opportunities that Evanston does not have. She thought the choice to come to Evanston is not made in terms of a social debate about going to a bar in Evanston or Skokie. It might be interesting to know what others are charging for liquor. She wanted to see other comparisons and what other drains on taxpayers those communities have that Evanston has. Evanston has massive drains on property tax payers. She noted this taxes those who come into the community and when somebody can afford to pay \$7 for a partial glass of wine, if somebody couldn't afford 7¢, perhaps they should go to Skokie.

Alderman Newman noted there are probably 1/100th of restaurants in the 8th Ward as in the 1st Ward. Asking for the information was not a commentary on another alderman but to fully understand the impact of the action they are taking. Because restaurants are the most important industry in terms of filling space downtown, aldermen should

fully understand the amount of tax applied by Evanston in comparison with neighboring communities. That was not an argument against the tax. He did not think aldermen understood that many communities that have the food/beverage tax do not have a separate tax on liquor. He noted restaurants in downtown Evanston pay high property taxes. They may conclude that this is a tax they should pass and will be paid mostly by Evanstonians. He also wanted to give businesses an opportunity to comment.

Alderman Rainey was not questioning motivation. She recalled one speaker commented that at some point in time, they will have to accept that other revenues than the property tax will have to be used to balance this and future budgets. The reason they have been so supportive of development in the 1st Ward was to expand the tax base and the opportunity for more revenue so the burden could be lifted from taxpayers.

Budget & Management Director Pat Casey went through all items on the board and explained them. In response to Alderman Rainey, Mr. Casey explained that the real estate transfer tax was not an increase in the rate, but in the revenue from the tax due to higher real estate prices. Mr. Casey explained that current budget policy states that the property tax will be raised to meet the police/fire pension fund and debt service fund obligations. They were at a point where the increase in property tax for the General Fund was 2.66%, which would be less than a ½% increase on the total tax bill. Alderman Drummer and Mr. Casey discussed the policy concerning police/fire and debt service obligations and the General Fund; \$684,000 was needed to balance the budget without a tax increase.

Alderman Feldman noted \$65,100 seemed a small amount on the increase in license fees for liquor considering that license holders will do more business due to lessening restrictions. Mr. Casey explained this applies only to package sales, not to restaurants and lessening restrictions on sale of package goods would come to the A&PW Committee.

Mayor Morton questioned the current revenue sheet with \$13.7 million property taxes for 2001-02. Mr. Stafford stated that was what was budgeted for the General Fund. When debt service and fire/police pension funds are added, the property tax comes to \$25.6 million. Mayor Morton asked the actual amount of property tax revenue received by the City for this fiscal year? Mr. Stafford stated the City usually receives about 98% of what is budgeted in terms of collection and revenue rates and the first money will be received in March. Mayor Morton noted on the Cook County Treasurer's report it shows taxes extended, collected, paid out and asked what is the railroad property tax? Mr. Stafford said it relates to the personal property replacement tax. They are assessed a partial tax on railroad property. She asked if it was budgeted? Yes. Mr. Stafford said it is split five ways. She asked what general refunds are? Mr. Stafford explained people are allowed to protest their property taxes and when a property owner wins, that amount comes out of the current year's property taxes. Mayor Morton asked whether there was effort to get redress on police/fire pensions? Mr. Stafford explained the City is required to pay police/fire pensions over the course of 40 years. That will end in 2030 but the requirement for funding could be extended another 10 years to 2040. That is under discussion in the legislature and Governor Ryan will sign a bill to increase police pensions. The City has to fund the pensions but has no control over the level, which is set by the state. Mayor Morton pointed out the teachers' pension fund extends to 2045 and is funded at 90%. She asked why municipalities are being discriminated against? Mayor Morton commented with more condominiums there should be more revenue in the Water Fund. Mr. Stafford noted usage this year was down and that weather has more effect on water use than any other factor. Mayor Morton asked how much surplus is needed in the Water Fund? Mr. Stafford said the surplus supports the General Fund. The Water Fund, aside from that, is a break-even fund. Mr. Stafford explained that the working capital in the Water Fund is for depreciation and is close to \$2 million annually which the City needs to replenish to assure the water plant and lines are maintained. Mayor Morton looked at this year's Capital Improvement Program and found that items requested for funding were the same items requested last year at the Water Plant. Were those items not done? One project would require hiring a consultant and project manager and was in the CIP for \$1 million. Mr. Stafford thought that was the meter project for \$2.5 million. \$500,000 is budgeted for that this year and probably \$1 million next year to change over meters so they can go to remote readings. Mr. Casey confirmed that was for the Meter Changeout Program so meters can be read remotely and the money has been spent. Mr. Crum pointed out the City has started a pay-as-you-go-plan to eliminate borrowing for projects in the Water Fund. Alderman Drummer noted the City keeps 8.3% in reserves and the same is true for the General Fund. Mr. Stafford explained there are additional bond reserves in the Water Fund that are required by the bond company.

Alderman Newman noted the budget policy against using one-time revenues to balance the budget. He thought if used for recurring expenditures they were violating their policy. Lobbying to change the number of years to fully fund pensions is a Council decision. He recalled litigation on how the City was funding these pension funds. Each

pension board is entitled to know if, and when, the Council seeks relief from the legislature. The only way through this is to find recurring sources of revenue to pay recurring expenditures. Taking money from a reserve fund puts them in a greater hole next year. Alderman Newman asked if the City expected building permit revenues to decline and was staff confident building permit revenues will be there? Community Development Director James Wolinski stated a lot of the increase of the \$260,000 on the board resulted from electrical, plumbing, HVAC was due to a life/science building being put up by Northwestern University. NU is constructing a similar building now that produced a similar amount of fees. Alderman Newman asked if they would be at this level in building permit revenue next year? Mr. Wolinski stated that NU's projects are constant. The two lab buildings each brought about \$500,000 in revenue. He understands that NU plans to build additional dormitories. The Tech Center has been completed after seven years and several hundred thousand a year in permit revenues. If the economy stays strong, several large condominium projects are on the board.

Alderman Moran noted another revenue option was a recycling fee for \$400,000. Mr. Casey stated that would increase the current recycling charge paid by residents from \$1 to \$3 to cover the contractual cost of recycling and would cover the entire cost of that program. Alderman Moran asked that be put on the board.

Alderman Bernstein referred to Budget Memo #13, noting that overtime was 73% over budget. Under temporary employees, they were 500.5% over budget. Mr. Casey explained that the bulk of temporary work is done in the summer for parks/recreation, therefore, is used early in the year. He explained they were tracking temporary and seasonal employees. According to Mr. Crum, \$1.8 million was budgeted versus \$1.5 million expended

Alderman Rainey noted in Budget Memo #12, where overtime is broken out, what was spent was indicated to the penny and most of that was in the Police Department. Alderman Rainey related telling constituents that she recommended that the late fee on water/sewer bills be reduced from 10% to 5% and was soundly thrashed. She noted nobody pays 5% late fees on utility bills and 5% is still too high. She asked for the amount of revenue generated by that fee. Mr. Stafford will obtain that figure and survey what other communities charge. She has heard complaints regarding the length of time the City takes to cash water/sewer bill checks; noted her check took a month to clear and asked if others had complained? Mr. Stafford explained the City had a problem with the lock box in the fall. Money goes to a lock box so checks are processed quickly. He said about 3,000 were not processed and the electronic file did not get to the City, which resulted in a delay. He spent a lot of time on the phone with residents about this. The problem was that checks were not cashed and because the City did not receive the electronic transfer, people received late notices and penalty fees. That was remedied.

Alderman Drummer asked if the City was still paying off the bonds on recycling equipment? Mr. Casey stated the City pays bonds on the building, which will be paid off within five years. Alderman Drummer clarified that the \$400,000 recycling charge would not be used for debt service. Alderman Drummer referred to House Bill 3428 having to do with property tax and historic residence, which provides for a freeze in assessments ad infinitum. He asked for the implications of this bill if it passes. Mr. Stafford stated that would have to be researched and it is obviously money that will be deferred. Alderman Drummer thought it would be a freeze and a homeowner in a historic district could qualify by putting in a new porch light. Mr. Stafford stated the implication of that is added tax to other homeowners. Mr. Crum pointed out there is a fairly significant amount of investment that must be achieved to receive the freeze. Mayor Morton stated to get the eight-year freeze, the home must be rehabilitated at a cost of 25% of assessed value. The catch is, before any renovation can take place, the Preservation Commission can only agree to external renovations. However, the total renovation cost can include improvements to the interior of the house. Alderman Drummer said the historic owner is subsidized by other taxpayers. Mayor Morton asked staff to determine how much money is distributed to other taxpayers due to the eight-year freeze. Alderman Drummer circled items of interest in the *Illinois Review* and passed it on to Mr. Casey, noting there are refunds from the state tobacco tax settlement for citizens.

Mayor Morton asked if the City pays a lot to train firefighters noting that the NWMC has a training program for firefighters. Fire Chief John Wilkinson explained Evanston recruits firefighters and uses different schools for training; tuition is between \$1,200-1,400. Evanston requires firefighters to be paramedics, which takes up to two years with tuition cost of \$2,000-2,500. There are significant overtime costs when personnel go to school. Mayor Morton asked whether it would advantageous for Evanston to join other communities to obtain this training? Mr. Wilkinson said there is not an economy of scale. The schools run anyway and the academies run three times a year. She asked if there was a difference in cost? Chief Wilkinson stated there was not much difference. The City has

looked into it and the NWMC training occurs less frequently than the City needs. There are some hidden costs. Personnel have to be provided for the testing.

Alderman Rainey stated people who recycle are saving the City money in tipping fees because they reduce the solid waste stream, which is the point of recycling. She thought to charge them extra to recycle was unfortunate and made no sense. She said that participation has not increased since the program got up and running; pointed out there are entire neighborhoods that don't participate; suggested that they look for savings or revenue in some other way. She said Evanston's recycling ordinance requires residents to recycle. At the outside, the City said they would give people time to get on board and there is no way a household can function without recyclable items. Those that recycle save the City money and those who don't cost money. Households that don't recycle should be notified and encouraged to recycle to reduce the overall waste stream.

Alderman Rainey noted that the Emergency Assistance budget is \$378,700, a small part of the budget, and that the Township has 7-8 employees and about 80-90 clients. She said given personnel costs, they could look at shifting this program to the Township and eliminate this program entirely from the City budget. Alderman Rainey noted the Human Services Committee had just received the Township budget and it could be discussed at the next meeting. Alderman Drummer recalled he made a reference on this two years ago but received no support. Alderman Newman agreed that they should mandate emergency services be combined with the Township. He said the only reason they offer the dual programs is because they have long-term employees and because of the Township, an archaic form of government. He said the 8-9 employees at the Township could easily take the \$189,000 that goes to Emergency Assistance clients and the Emergency Assistance employees could go into other jobs at the City. He agreed that the recycling fee should not be increased and pointed out that fee is not deductible as is the property tax. He suggested they ask for a net savings if the emergency services program was transferred to the Township. Staff will look at that.

Alderman Moran said regarding the recycling fee, that they needed to think about the situation they face annually. They run this program and do not ask for the cost to run it. This is dumped into the property tax. It was true taxpayers could not deduct the \$2, which amounts to \$24 annually. There are implications for not charging people for programs that cost the City. He pointed out that in the Township, the ratio of funds to grant recipients to run it is worse than in the Emergency Assistance program, which he thought was shifting in the wrong direction.

Alderman Drummer stated the Township was eager to talk about this and had lobbied for the program for ten years. He thought there was a great deal of information on it. Alderman Drummer agreed with Alderman Moran on the recycling charge because the fee would be pay for the cost of delivering the service. He thought Alderman Moran had focused previously on what it costs to deliver sanitation services and, if they had done that at that time, they would be out of the budget crisis they are experiencing. He thought for anything that is bought or built, they should charge what it costs. Taxpayers will pay for it anyway. Ultimately it will be subsidized by something. If people paid the \$3 recycling fee and did not participate, they were not costing him any more money but would be messing up the environment. If somebody pays but does not recycle, that does not affect the cost of the person who recycles. Alderman Rainey noted that trips to the land fill cost the taxpayers. Alderman Drummer suggested if they want to make somebody recycle to charge them for it.

Alderman Wynne stated when the City shifted recycling from the waste stream, it reduced the cost because they do not pay for glass/plastic to go into a landfill. She has figures on the percentage of households that don't participate. The more they can promote recycling, the better for the City. Alderman Drummer said the big issue with the landfill is yard waste. He thought the goal was to reduce landfill use by 33% and they were at 20%.

Alderman Feldman thought it important not to pass the recycling cost on to taxpayers. He noted residents are not charged for sanitation services, fire/police protection, repairing streets, the library or cutting down trees. If they want to charge fees, they can forget about the property tax. He did not think they could charge the property tax and then charge fees as well and that certain things are included in City services. He was averse to putting anything more on the water/sewer bill. He thought the argument that it is necessary for people to recycle was valid. He thought the Township could easily handle Emergency Assistance and there would be savings in the cost to operate that program. Alderman Rainey argued for Emergency Assistance program going to the Township and not the reverse. She thought the Township has skilled employees who deal with state reimbursement for medical aid and accounting; people at the Township do a good job. She noted the new Township Supervisor will be Pat Vance, who has probably worked with every single client Emergency Assistance has ever seen and Ms. Vance can make this work.

Alderman Drummer stated that Emergency Assistance should have been combined with the Township years ago, but could not see any savings unless people are laid off. Bill Stafford said they need to look at areas where they can effect savings; noted the City has systems in place, such as accounting, that would be easier for the City to run versus the Township, which has a stand alone system (payroll and accounting). He asked that be considered.

Health & Human Services Director Jay Terry stated these two offices have different clientele. The Township serves single males and Emergency Assistance serves single mothers and children. The advantage of the program in the Civic Center is the connections that can be made to health issues, landlord/tenant issues, and Latino ombudsman and senior service ombudsman. He noted that the Human Services Committee had looked at this over the years and there are memoranda on file. He said there are some programmatic considerations aside from finances. He pointed out there are no mechanisms for transferring City employees who are under Civil Service protection to the Township and that Township employees serve at will. He will assemble materials for review.

Alderman Rainey said she had meant Emergency Assistance clients go to Neighbors at Work and Emergency Assistance and had no intention of transferring employees to the Township. She did not think the Township should be at Main and Dodge and should be at the Civic Center because this is where the other ancillary services are located. She suggested trustees would have to look at that in the next Township budget.

Alderman Drummer did not advocate sending employees to the Township. He confirmed that the recycling program is subsidized by \$400,000 annually. Alderman Rainey stated the City did not subsidize anything but the taxpayers paid for everything; recycling deadbeats add to sanitation costs.

Mr. Crum asked when they would like to continue the discussion. Alderman Drummer suggested the budget be placed on the agenda at the next regular Council meeting. Alderman Newman asked if the Executive Session could be eliminated on Monday, that committees meet from 6:00 –7:00 p.m. and that Council meet at 7:00 p.m. and work further on the budget.

There being no further business to come before Council, Mayor Morton adjourned the meeting at 10:13 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.