

CITY COUNCIL

July 9, 2001

ROLL CALL - PRESENT:

Alderman Rainey	Alderman Jean-Baptiste
Alderman Feldman	Alderman Bernstein
Alderman Newman	Alderman Kent

A Quorum was present.

**NOT PRESENT AT
ROLL CALL:**

Aldermen Engelman, Wynne

ABSENT:

Alderman Moran

PRESIDING:

Mayor Lorraine H. Morton

The OFFICIAL REGULAR MEETING of the City Council was called to order by Mayor Morton Monday, July 9, 2001 at 6:18 p.m. in the Aldermanic Library. Alderman Rainey moved that Council convene into Closed Session for the purpose of discussing matters related to real estate, litigation and closed session minutes pursuant to 5ILCS Section 120/2 (c) (5), (6), (11) and (21).

(5) The purchase or lease of real property for the use of the public body, including meetings held for the purpose of discussing whether a particular parcel should be acquired.

(6) The setting of a price for sale or lease of property owned by the public body.

(11) Litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting.

(21) Discussion of minutes of meetings lawfully closed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06.

Seconded by Alderman Jean-Baptiste. Roll call. Voting aye – Rainey, Feldman, Newman, Jean-Baptiste, Bernstein, Kent. Voting nay - none. Motion carried (6-0).

At 6:48 p.m. Alderman Newman moved to reconvene into Open Session. Seconded by Alderman Wynne. Motion carried. No nays. Council then recessed so that aldermen could attend standing committee meetings.

Mayor Morton reconvened the City Council meeting at 9:07 p.m. in the City Council Chamber.

City Manager Announcements:

Facilities Management Director Max Rubin reported on damage to the Civic center telephone system from an Electro-magnetic pulse related to a severe electrical storm early Saturday morning. Management & Budget Director Pat Casey reported the electrical charge traveled through the modems connected to the phone systems and also damaged the computer network. The damage exceeds \$100,000 and the City has insurance coverage.

Parks/Forestry & Recreation Director Doug Gaynor invited all to attend the Ethnic Arts Festival on July 21-22, from noon to 7 p.m. in Dawes Park at Sheridan Rd. and Church St.

Mr. Gaynor reported 1,024 trees donated by ComEd had been given away over two weekends at the former Recycling Center. \$2,331 was donated by tree recipients and will go toward the Ecology Center's Expansion program. The remaining trees will be planted in parks and at the Peter Jans Golf Course.

Mr. Gaynor reported in routine scouting of Elm trees on July 5, eight public parkway trees and four privately owned Elm trees were found to have Dutch elm disease on Madison/Asbury. Samples from the trees were sent to a laboratory and if test positive, the infected trees will have to be removed. Another 15-20 trees nearby are being monitored. Residents will be kept informed. Last year 90 Elm trees were removed and so far this year 151 trees.

Police Chief Frank Kaminski invited all to the grand opening and dedication of the Howard Street Police Outpost, 633 Howard St., Wednesday, July 11 at 6:30 p.m.

City Manager Roger Crum announced that City Council would hold a goal-setting workshop Saturday, July 21 at 8:30 a.m. at the main Library.

Mayoral Announcements: Mayor Morton announced Saturday, July 14 the Cook County Assessor with the Evanston Township Assessor would have a meeting with taxpayers at the Civic Center.

Communications: None

CITIZEN COMMENT:

Joyce Elias, 1210 Sherman Ave., alleges her home was damaged by the Roszak ADC project at 1210 Chicago Avenue last fall. Since that time they have tried to work with the developer and appeared before the P&D Committee numerous times and are now in litigation with Roszak. The P&D Committee could not help them but said they would be notified when Roszak began Phase 2. July 2, Roszak started Phase 2 by installing metal sheeting without a permit. Elias contacted the City, which shut down that part of the project. By the next day, the City had granted a permit for the metal sheeting so Phase 2 could continue. She thought it strange that the permit was granted so quickly when they were told permits take several weeks and she was upset that the committee did not notify them that Phase 2 would start. She claimed their home had sustained substantial damage from this project and believed it would continue to be damaged. She asked if the City fined Roszak for working without a permit; urged the City to enact an ordinance to protect homeowners from problems that arise with a developer.

SPECIAL ORDER OF BUSINESS

Ordinance 81-O-01 –Redevelopment Agreement for Sherman Plaza Redevelopment– Consideration of proposed Ordinance 81-O-01, introduced June 25, 2001, which authorizes the City Manager to sign a redevelopment agreement for the Sherman Plaza Redevelopment.

Alderman Feldman moved approval of the Redevelopment Agreement for Sherman Plaza Redevelopment. Seconded by Alderman Rainey.

Assistant City Manager Judith Aiello stated this project has been before Council for more than two years with numerous public meetings before the Plan Commission and Economic Development Committee. The Economic Development Committee reviewed documents, approved them on June 18 and recommended approval by Council. She noted representatives from Sherman Plaza Venture; Marty Stern, U.S. Equities, the City's consultant; and Bob Rychlicki, Kane, McKenna were present. She noted Ryan & Ryan, attorneys, also were on this project. She said it has changed somewhat

since it started but is still a mixed-use of retail, residential and public parking garage. The project allows the Sherman Avenue garage to be rebuilt without using citywide property taxes. The project is within a TIF district, which will fund it. To date, the project has about 215,000 square feet of retail, services and fitness space and no more than 95,000 square feet of non-retail uses. There will be a strong retail focus at street level so it will be pedestrian-friendly. The developer is restricted to one restaurant of no more than 5,000 square feet. There will be incentives for additional retail space. The project will have up to 178 units of senior housing of which no more than 50 units will be for assisted living. There is a provision in the Redevelopment Agreement that, until the TIF is terminated in 2017, the senior housing component cannot come off the tax rolls without City Council approval. The parking garage is the City's main component and allows the current 667 space Sherman Avenue garage to be rebuilt. The new garage will have between 1,400-1,500 spaces. The City's parking consultant KLOA, updated the parking analysis and determined the optimum size is 1,420 spaces. As they continue to refine planning and financial projections, they will work with the Parking Committee on the design and financial assessment to determine the final size of the garage and make a final recommendation to City Council. For financial planning, they are using \$19,500 cost per parking space. The just finished Maple Avenue garage cost \$19,200 per space.

James Klutznick (Sherman Plaza Venture, LLC) is pleased to collaborate with the City on the commercial/residential components and the City's new garage, noted this is predicated on approval of the Redevelopment Agreement. His team was busy getting financing together for the closing on the land parcels next week. They will then work on drawings and anticipate demolition will start after January 1, 2002; open the new garage and retail in the spring/summer of 2003, with the residential component to follow later that year.

Ms. Aiello called attention to revisions to the two parking leases (retail and senior housing) and two completion guarantees, which have no substantive changes (clarifying documents), provided that evening. She noted the Redevelopment Agreement outlines obligations of City and developer and sets forth protections for both. All documents were provided to Council and available to the public in mid-June, prior to the Economic Development Committee meeting. Since then some updates and clarifying documents were provided. Ms. Aiello stated that Mr. Klutznick has contracts for land acquisition and relocations with his major obligation to provide funds to build the project. The City's major obligation is to fund the reconstruction of the public garage, which will cost \$30 million. This is unlike the Research Park where the City was committed to buy land, demolish buildings and relocate businesses. Here the developer is doing that and those obligations are in the Redevelopment Agreement. The land contracts and relocation costs the developer has committed to are more than \$14.5 million. The City helped the developer acquire the Osco parcel through the power of condemnation. That parcel, the first to close, will close Monday, July 16 by court order. In addition to building the garage, the City is responsible for the detention basin, similar to what the City did for the Maple Avenue garage. Estimated cost of detention is \$500,000 and the Redevelopment Agreement states any amount over that is paid for by the developer. Demolition, site preparation and streetscape costs around the garage are capped at \$1.4 million. If the developer has an extra 29,000 square feet of retail space, the City will pay 50% of the cost of demolition and site preparation and, if not, the City pays 38% of those costs. This is an incentive to get more retail with the obvious benefit of more sales tax revenue and synergy with existing retail. She pointed out the Redevelopment Agreement provides flexibility in housing. Currently senior housing is the primary focus. In negotiations, the developer indicated a tightening of financing for senior housing. The Redevelopment Agreement was drafted with flexibility in housing so as to not slow down the project and they wanted to make sure the strong retail interest is maintained, so there is a provision that if senior housing is difficult to fund, the developer can come back to the City and discuss an alternative.

The developer agreed to two issues brought up by the Economic Development Committee. One was that the senior housing component would not be sold to a non-profit entity during and after the life of the TIF without approval of City Council. Another was there will be a comprehensive sign program that will go the Sign Review and Appeals Board so there will be control of signage on this large project. The Redevelopment Agreement also sets forth the schedule. The plan is to keep the current Sherman Avenue garage open until after the holiday season this year. They recognize the current economic climate is changing so there is a provision that the developer has up to one year to start construction. That would be July 2002. When that time comes and there is no construction, the Redevelopment Agreement provides that the developer and the City would negotiate for up to 180 days to determine a course of action. She stated that there

are a number of items in the Redevelopment Agreement that are standard, such as extensions for certain situations and penalties if not completed by negotiated dates. There are also protections. The City will not transfer the garage or plan for demolition of it until the developer has leases for 50% of the space and all financing is in place.

In response to a request from Mayor Morton, Ms. Aiello explained that the incremental sales tax and property tax within the TIF would be used to pay whatever debt the City incurs for the garage, detention and streetscape.

Marty Stern, U.S. Equities, the City's development adviser, stated a key element is whether the developer can do what he says he can and a great deal of that has to do with whether the project is financially feasible. Will the capital markets let him do what he says so as to generate a sufficient return to allow the project to attract equity and financing. He reported negotiations with Sherman Plaza were structured to create a feasible project under reasonable assumptions with no direct subsidies from the City. Sherman Plaza has targeted 12% return on costs. U.S. Equities believes that 11.25% is a financeable return on costs for a retail project of this quality. In reviewing the developer's pro-formas, they are looking at an average rent of \$24 per square foot (total project cost a little under \$45 million) and an average return on cost of 11.5%. On the senior housing component they are looking at a return over 11.5% and think that higher returns are required. One of the reasons is that, nationwide, the senior housing category is considered somewhat overbuilt and lenders are cautious in this category. The economy is slowing as well. Financing for this component may take longer and require a higher rate. He stated the specifics of senior housing at this location are excellent. They include accessibility to a revitalized downtown and public transportation; high numbers and income levels of homeowners here and surrounding communities who wish to remain in the area. They believe that, like the Hilton Garden Inn, which was financed under equally difficult circumstances, this financing is possible. To give the developer/City more flexibility, the Redevelopment Agreement allows the substitution of multi-family rental/condominium development should the financing of senior housing prove to be difficult.

Mr. Stern noted one of the key benefits of this project is the redevelopment of one of the most important blocks in the downtown, which has suffered in terms of retail potential and pedestrian friendliness from the location of the Sherman Avenue garage. Reconfiguring the block and attracting new retail uses will benefit all downtown merchants by adding a critical mass of retailers and improving the link between Church Street Plaza and the remainder of downtown. This project will provide funds to rebuild and expand the aging Sherman Avenue garage that will further benefit visitors and merchants. Without such a project, the cost of maintaining and replacing the existing Sherman Avenue garage would likely be a taxpayer burden. Through the use of TIF financing, it will generate sufficient funds so that all of the City's obligations and construction would be met through the proceeds of the TIF funds and repaid from this project. Several important protections are built into the Redevelopment Agreement to assure that the City is not required to demolish the existing garage and incur financial obligations before the project is ready to start construction. These include a requirement that all the debt and equity be in place to complete the project, completion guarantees, a pre-leasing requirement of 60% of the retail space and guaranteed maximum price for the garage construction. He thought demolition in February 2002 with retail opening in 2003 would be likely and the senior housing would open by fall 2003. Because they do not know where the economy will go, there is additional time in the Redevelopment Agreement should general economic conditions delay either the leasing or financing. All consultants' reports and pro-formas have been reviewed. All are experienced in development, financing and marketing. He termed this an excellent project, which will create a new destination, add to the critical mass of downtown retail and increase the attractiveness of shopping in downtown Evanston to residents and surrounding communities. Rebuilding and expanding the Sherman Avenue garage in a more appropriate location will expand all the uses in downtown and relieve taxpayers of a significant burden to pay for the inefficient and aging structure. For those reasons, they recommended approval of the Redevelopment Agreement.

Ms. Aiello explained that the financials were reviewed by herself; Finance Director Bill Stafford; Kane, McKenna and Legg Mason. Kane, McKenna has been the City's TIF advisor for 12-14 years and has a conservative approach. As each change is made, new numbers are run and evaluated. Before this project is built, there will probably be 50 more runs and scenarios that will be examined. Kane, McKenna looks with a conservative eye and straight-line debt service. This has been looked at using variable rate financing and other mechanisms also. That was done for the Maple Avenue garage to allow as much flexibility in financing as possible. She stated that Bob Rychlicki of Kane, McKenna would go through the various revenue streams that will be used to pay for this project. Bill Stafford would go through variable rate

financing. Prior to any issuance of debt, these would be reviewed again by Council.

Ms. Aiello reminded Council when they did the Maple Avenue garage, the parking analysis showed 2,800 spaces were needed for existing and future parking demand downtown. In doing financial assessments for both garages, they looked at 1,400 spaces in each garage. As they examined funding sources, they looked not only at the Washington National TIF, which was expanded to include the Sherman Avenue garage rebuild, but also since some of the projects west of the tracks such as the McDougal Littell building, Scribcor building, Church Street Plaza will be parking there, they will use a variety of financing sources.

Bob Rychlicki, Kane, McKenna, stated there are several sources of TIF revenue within one of two TIF districts, the Downtown II TIF and the expanded Washington National TIF. He explained if TIF districts are contiguous, Illinois law allows funds to flow between them and that is what they have outlined in these projections. There are five sources of either TIF revenue or incremental sales tax used to pay for the Sherman Avenue garage. There are three sources within the Downtown II TIF (Research Park). The City currently receives money and applies it to existing debt and obligations in the Downtown TIF. They sliced off one part of the model, after the City made provisions for its existing debt obligations and allocated 50% for the Maple Avenue garage. The remaining 50% is programmed for the Sherman Avenue garage. The second source of income in the Downtown II increment is associated with McDougal Littell – 50% of that (sales tax and incremental property tax) is also programmed for the Sherman Avenue garage and the other 50% was used for the Maple Avenue garage projections. The last source identified for the Sherman Avenue garage in the Downtown II TIF is incremental real estate tax for the first Scribcor building. The other two sources of revenue are in the Washington National TIF as amended. The first source is the Buck project, after provision is made for debt service. The City issued bonds in conjunction with this several years ago and in the model they allowed for payment of that debt and whatever drops down after the debt is paid is allocated to the Sherman Avenue garage. The last element and the largest component accounting for 60-65% of the payment relates to the Sherman Plaza project. That is comprised of two components: the incremental property tax associated with the development (residential, retail and commercial) and sales taxes. Incremental sales taxes are only associated with that block. They made two allocations: the base taxes the City already receives from Osco and several other retailers on that block. Secondly, they made an allowance for 20% of the retail, whether for vacancy or non-retail generating uses, which was skimmed from projections. So they counted only 80% of the sales taxes after deducting for the base. Those five components were aggregated and used in the original projections. In addition, they did preliminary projections on parking revenues. They used historical data available to them based primarily on the Sherman and other garage and found that was close to break even. The big producers relating to coverage for the debt are the five components in terms of the incremental property taxes generated by five uses and the incremental sales taxes generated by the Sherman Plaza project. They used a higher mix interest rate of 6% to account for taxable bonds, similar to what happened on the Maple garage financing experience. They show the \$30 million can be covered with a coverage ratio to allow for the City's debt to be retired over 20 years.

Alderman Rainey asked how significant is the difference between the developers anticipated sales revenue of \$350 per square foot versus Kane/McKenna's projection of \$250. Mr. Rychlicki responded that would increase the coverage by five-ten basis points if a higher number was used. He used regional averages, Urban Land Institute numbers and their own files. They looked at specialty type users for that market area, identified square feet and plugged in the averages to come up with their number. She asked if the \$350 number was unreasonable? Mr. Rychlicki did not think so. He thought that was the number they would have to hit in order to pay the rents that are being discussed.

Alderman Newman commented on the financing mechanism to put it in perspective. Before the Sherman Plaza project was contemplated, when the Parking Committee studied Church Street Plaza parking needs, they found 2,400 spaces were needed. At one point they contemplated building 1,800 spaces in the Research Park and a proposal to use underground parking was rejected by the Parking Committee. Eventually, Council adopted the recommendation to take the total spaces needed downtown and divide by half to increase connectivity with the Church Street Plaza project. They moved some of the parking needs of the Research Park into this garage with a payment plan to pay for those spaces. When they see Downtown II, 50% revenues, Scribcor 1 and McDougal Littell as part of the funders of this garage, the reason is they did a unified parking plan for the entire downtown. This includes the eastern part of downtown,

Orrington/Chicago and the Research Park. He thought the entire downtown would benefit. He noted they have found out from the movie theaters, that by having a high quality garage, people will park there, not complain about parking and find parking here is more convenient than other alternatives. He thought this plan tries to have high quality parking to convince people that parking in the garage is the thing to do.

Alderman Engelman referred to Mr. Rychlicki's comments that the prior experience of the garage is that revenues are equal to expenditures. Mr. Rychlicki said close to break even. Alderman Engelman noted preliminary projections show revenues of more than \$1 million a year. Mr. Rychlicki said there is expense and the cushion is between \$150-200,000, which is close to break even. When they did original projections as to bond capacity, they only looked at the TIF increment and sales taxes. Alderman Engelman confirmed that in doing parking projections, Kane/McKenna took into consideration the parking concessions to existing businesses that pay a lower rate, based on the first hour free, monthly and daily parkers.

Finance Director Bill Stafford reported they will do several iterations when they go to market on the bonds. He pointed out what was put in was conservative in several ways. One is the \$30 million for the garage, which would be more than enough. The life is 16 years and paid off during the term of the TIF, which is conservative. They have a 6% interest rate with the cost of money now at 4.5%. He said if they add 4.5% interest, the coverage goes from 1.25 to 1.48, assuming the 16 years. If they go out for 20-25 years, they would be over 1.5. They are comfortable with the 1.25 coverage. The City will again look at the same type of financing structure with the variable rate and hedge.

Ms. Aiello stated from consultants, staff and legal analysis, the City believes this a feasible project and good for the City; that it will continue activity generated through various projects such as Evanston Place, Park Evanston, Church Street Plaza and the new residential development. She stated these are preliminary numbers and they will continue to update as the project gets refined and was sure there would be several amendments before the project is completed.

Alderman Feldman asked if there is an anchor tenant and, if not, are anchors necessary in retail developments? Mr. Klutznick said there are a multiplicity of larger box users and would not call any of them an anchor. He was confident the retail portion comprised of ground and second floors is adequately covered by a variety of intermediate-sized users.

Mayor Morton thanked all for their presentations.

Roll call. Voting aye – Engelman, Rainey, Feldman, Newman, Jean-Baptiste, Wynne, Bernstein, Kent. Voting nay – none. Motion carried (8-0).

Mr. Crum thanked City Council for the vote, noting it is a major step forward for the community. He thanked Judith Aiello, Herb Hill, Bill Stafford, David Jennings, the Parking Committee, the Economic Development Committee and City Council, which spent much time on this project over several years. Alderman Engelman thanked the Klutznick team for their investment in Evanston.

CONSENT AGENDA (Any item marked with an Asterisk*)

Alderman Feldman moved Council approval of the Consent Agenda with these exceptions: Approval of Change Order #1 – Alvord, Burdick & Howson contract; Ordinance 82-O-01 – Increase in Class C Liquor Licenses; Ordinance 87-O-01 – Amend “Booting” on Private Property; Zoning Ordinance Amendment Petition of Robinson Bus Co.; Resolution 52-R-01 – Amend Honorary Street Name Program; Special Event – Duck Pluck and Adoption of City of Evanston Budget Policy Guidelines. Seconded by Alderman Engelman. Roll call. Voting aye – Engelman, Rainey, Feldman, Newman, Wynne, Bernstein, Kent. Voting nay – none. Motion carried (8-0).

* **ITEMS APPROVED ON CONSENT AGENDA**

MINUTES:

* Approval of Minutes of Regular City Council Meeting of June 25, 2001. * APPROVED - CONSENT AGENDA MOTION AND ROLL CALL (8-0)

ADMINISTRATION & PUBLIC WORKS:

* Approval, as recommended, of the City of Evanston payroll for the period ending July 5, 2001, and the City of Evanston bills for the period ending July 10, 2001 and that they be authorized and charged to the proper accounts, summarized as follows:

City of Evanston payroll (through 7/5/01)	\$1,873,041.04
City of Evanston bills (through 7/10/01)	\$2,411,869.44

* APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (8-0)

* Approval of the lowest responsive and responsible bid of Kings Point General Cement for the 2001 alley paving program for Public Works at a cost of \$206,651.50. * APPROVED– CONSENT AGENDA MOTION AND ROLL CALL (8-0)

* Approval of the lowest responsive and responsible bid of FCP Webinery for a one-year contract to print *Arts & Recreation* magazine for Parks/Forestry & Recreation at a not-to-exceed cost of \$51,880. * APPROVED – CONSENT AGENDA MOTION & ROLL CALL (8-0)

* Approval of the proposal from Jack Weiss Associates (EBE) and Nelson-Harkins Industries for design, fabrication and installation of signage for the new Levy Senior Center for Parks/Forestry & Recreation at a cost of \$36,900. * APPROVED– CONSENT AGENDA MOTION AND ROLL CALL (8-0)

* Approval of the lowest responsive and responsible bid of D&B Fabricators for a five-year contract for the supply of refuse carts to Public Works at an estimated cost of \$161,600. * APPROVED– CONSENT AGENDA MOTION AND ROLL CALL (8-0)

* Approval of Change Order #8 (final) with W.E. O’Neil Construction for the Church Street Plaza (Maple Ave.) garage, decreasing the contract amount by \$479,334. * APPROVED– CONSENT AGENDA MOTION & ROLL CALL (8-0)



* Resolution 54-R-01 – Authorizing Submission of Proposal for Grant Funding Through Keep Illinois Beautiful – Consideration of proposed Resolution 54-R-01, which authorizes submission of a proposal to the Dept. of Commerce & Community Affairs for grant funding available through the Keep Illinois Beautiful program. * APPROVED– CONSENT AGENDA MOTION AND ROLL CALL (8-0)

* Ordinance 84-O-01 – Decrease in Class O Liquor Licenses – Consideration of proposed Ordinance 84-O-01, which decreases the Class O liquor licenses from six to five with the change in classification for American Drugs Inc., dba Jewel/Osco Drugs, 1128 Chicago Ave. * MARKED INTRODUCED – CONSENT AGENDA

* Ordinance 83-O-01 – Increase in Class N Liquor Licenses - Consideration of proposed Ordinance 83-O-01, which increases the Class N liquor licenses from two to three with the change in classification for American Drugs Inc., dba Jewel/Osco Drugs, 1128 Chicago Ave. * MARKED INTRODUCED – CONSENT AGENDA

* Ordinance 73-O-01 – Authorization to Enter into a Real Estate Contract – Consideration of proposed Ordinance 73-O-01, introduced June 25, 2001, which authorizes the City Manager to enter into a contract for the sale of 801-825 Davis St. * ADOPTED CONSENT AGENDA AND ROLL CALL (8-0)

* Ordinance 80-O-01 – Granting a Cable Communications System Franchise six-month Extension – Consideration of proposed Ordinance 80-O-01, introduced June 25, 2001, which grants a cable communications franchise extension to AT&T Broadband. * ADOPTED CONSENT AGENDA AND ROLL CALL (8-0)

PLANNING & DEVELOPMENT:

* Sidewalk Café Permit (Liquor Service) – Jacky’s Bistro – Consideration of a recommendation to allow liquor to be served at the sidewalk café previously approved for Jacky’s Bistro, 2545 Prairie Ave. * APPROVED– CONSENT AGENDA MOTION AND ROLL CALL (8-0)

* Sidewalk Café Permit (Liquor Service) – Trattoria Trullo – Consideration of a recommendation to allow liquor to be served at the sidewalk café previously approved for Trattoria Trullo, 1700 Central St. * APPROVED– CONSENT AGENDA MOTION AND ROLL CALL (8-0)

* Temporary Sign Request for American Craft Exposition – Consideration of a request of the Auxiliary of Evanston/Glenbrook Hospital to erect temporary signs and banners regarding the American Craft Exposition at the Ryan Arena, August 24-26. * APPROVED– CONSENT AGENDA MOTION AND ROLL CALL (8-0)

* Resolution 53-R-01 – Designating a Portion of Church St. between Ridge and Oak avenues with the Honorary Name Sign, “Ann Jennett” – Consideration of proposed Resolution 53-R-01, which approves the recommendation of the Citizen’s Advisory Committee on Public Place Names to designate the section of Church St. between Ridge and Oak avenues in honor of Ann Jennett, founder, Youth Job Center. * APPROVED– CONSENT AGENDA MOTION AND ROLL CALL (8-0)

* Ordinance 85-O-01 – Special Use for 1700 Sherman Ave. (Panera Bread) – Consideration of proposed Ordinance 85-O-01, which approves a recommendation of the Zoning Board of Appeals to grant a Special Use to permit expansion of the existing Type 2 restaurant (Panera Bread), 1700 Sherman Avenue, to vacant storefront to the west. * MARKED INTRODUCED – CONSENT AGENDA

* Ordinance 86-O-01 – Variances for 1723 Benson Ave. (Evanston Athletic Club) – Consideration of proposed Ordinance 86-O-01, regarding the findings and report of the ZBA concerning variances requested by the Evanston Athletic Club, 1723 Benson Ave. * MARKED INTRODUCED – CONSENT AGENDA

* Ordinance 76-O-01 – Variations for 239 Greenwood St. – Consideration of proposed Ordinance 76-O-01, introduced June 25, 2001, which concerns a Zoning Board of Appeals (ZBA) determination mandated by court order for variations to off-street parking and rear yard requirements for 239 Greenwood St. * ADOPTED CONSENT AGENDA AND ROLL CALL (8-0)

* Ordinance 78-O-01 – Variations for 2553 Greeley Ave. – Consideration of proposed Ordinance 78-O-01, introduced June 25, 2001, which approves a recommendation of the ZBA to grant variations to street side yard, rear yard and parking requirements of the Zoning Ordinance for 2553 Greeley Ave.

* ADOPTED CONSENT AGENDA AND ROLL CALL (8-0)

HUMAN SERVICES:

* Approval of Township Monthly Bills – Consideration of a recommendation that the City Council approve the Township bills, payroll and medical payments for the month of June 2001 in the amount of \$95,069.79. * APPROVED– CONSENT AGENDA MOTION AND ROLL CALL (8-0)

APPOINTMENTS:

Mayor Morton asked for introduction of the following appointments:

Brian Harris	M/W/EBE Committee
2525 Wellington Ct.	
Troy Thiel	Parking Committee
928 Asbury Ave.	

Mayor Morton asked for introduction of the following reappointment:

David R. Hodgman	Playground & Recreation Board
1112 Forest Ave.	

* APPROVED – CONSENT AGENDA

Mayor Morton asked for confirmation of the following appointment:

Jean Esch	Ladd Arboretum Committee
917 Elmwood Ave.	
For term ending July 15, 2005	

* APPROVED – CONSENT AGENDA

REPORT OF THE STANDING COMMITTEES

ADMINISTRATION & PUBLIC WORKS:

Alderman Feldman moved approval of Change Order #1 to the engineering contract with Alvord, Burdick and Howson for replacement of High Lift Pump #4, increasing the contract amount by \$20,600, from \$81,000 to \$101,600. Seconded by Alderman Rainey.

Alderman Rainey reported the committee supported this purchase. From the committee discussion, it came to light that all supported purchase of the High Lift Pump, which cost \$500,000 but never worked properly since its purchase several years ago. The committee thought when a purchase of this magnitude is made and there is trouble from the beginning, Council should be notified. Part of the \$20,000 had to do with the fact that this pump and another piece of equipment never worked properly, so additional consulting costs were involved. The first piece of equipment came broken and was returned to the vendor, who sent the wrong replacement. The pump was installed and does not lift water the way it is supposed to and probably will not last. In cases like this, the committee was told the manufacturer (the only one who can provide this equipment) never refabricates a new piece of equipment to replace equipment that does not operate properly. The committee asked for a report and that this be referred to legal. They are looking for a way to resolve this.

Alderman Rainey confirmed to Mayor Morton that the \$20,000 was for a consultant to pay for testing equipment, for

work already done and ongoing work of engineers to make the equipment function properly.

Alderman Bernstein asked what recourse the City has regarding warranties where there has not been compliance? That question was asked at the committee and they were told this kind of thing is not put into writing.

Alderman Jean-Baptiste said it was amazing that the City has already paid \$450,000 of \$500,000. When asked whether the \$20,000 could be deducted from the remaining \$50,000 they were told perhaps, even though the work the consultant is about to do is due to a defective pump. He suggested a better process is needed and safeguards to assure that the bill is not paid before making sure the equipment works. He said that legal staff needs to be on top of this so they make sure they are not giving away \$500,000 and have no recourse. Staff indicated the manufacturer has a monopoly on this product and won't replace the defective product.

Alderman Feldman said considering the size of the purchase and the importance of the equipment to the pumping station, that City Council authorized a large payment. Once that was done, Council assumed the money was well spent. He noted in this case, the Water Division had trouble from the beginning and was faced with a kind of intransigence by the manufacturer that seemed to indicate they did not care. The manufacturer has worked with it but has never taken the defective equipment back and seemed to be comfortable with the City operating in a state of distress as a result of no fault of the City. From a layman's point of view it seemed incredulous that almost \$500,000 was spent and they did not take it back and go someplace else. Staff told him it was not that easy. He did not know about the fact that this seems to be the only place in the world that produces this kind of pump and was shocked that the City was in this position.

Mr. Crum pointed out the pump portion of this purchase was one half the cost and the other half was an engine that works okay. The City has not accepted the pump. It is not satisfactory to the City. The problem reported is cavitation. Cavitation is a flow problem, meaning they get air bubbles through a propeller and cannot figure out why. The entire unit was returned to the factory, where it was checked and they did not experience the same problem. Now they want to look at it in the City's installation because it could come from chutes or tubing from the pump. That is not known. Council will be kept informed. In response to Mayor Morton, Mr. Crum stated the equipment must work or the City will not accept it. Alderman Rainey pointed out while the City has not accepted this equipment, they have paid for it.

Roll call. Voting aye – Engelman, Rainey, Feldman, Newman, Jean-Baptiste, Wynne, Bernstein, Kent. Voting nay – none. Motion carried (8-0).

Ordinance 82-O-01 – Increase in Class C Liquor Licenses – Consideration of proposed Ordinance 82-O-01, which increases the Class C liquor licenses from 19 to 20 with the addition of Jalapeno Mexican Restaurant, 726 Clark St.

Alderman Feldman moved introduction. Seconded by Alderman Jean-Baptiste.

Alderman Rainey stated this was the only way to talk to the Liquor Commission; noted the City had recently liberalized licensing of the sale of alcoholic beverages and needs to be diligent in issuing licenses. In a discussion with the applicant at the committee meeting, she found the woman had no idea of how to execute a liquor license; is the only one to serve drinks and liquor won't be served unless she is there and has no experience serving or mixing drinks. Alderman Rainey stated this brings to the fore the need to look at licensing regulations and what is required before issuing a license. She said sole proprietors, unlike the chain stores, need to take a course on selling alcoholic beverages and did not think they could deny this license at this juncture.

Mayor Morton explained that the responsibility of the Liquor Commission is to see that the applicant has no criminal record. She said this restaurant is very small, this young woman is beginning this business, is tough and wants to sell Margaritas. She said some that come before the Liquor Commission have training in selling alcoholic beverages and others do not. Mayor Morton thought it wonderful to have training and this young woman is investing resources and is determined to make this work. If successful she will leave this small space and go into larger space.

Alderman Rainey asked if it is possible for the Liquor Commission to make recommendations regarding licensing?

Mayor Morton stated they make recommendations regularly and it is Council's job is to determine whether they want liquor served at a particular location. The Liquor Commission's job is to determine whether applicants are qualified. She said the commission spent a long time with this applicant, spoke about violations and that this applicant was aware.

Alderman Jean-Baptiste said the committee discussion centered around whether this person could effectively carry out the responsibility of controlling liquor in her restaurant. This person will work seven days a week and be the only one who mixes and serves alcoholic beverages with no background or training. While they did not believe the license could be denied, the committee thought there ought to be some modification going forward to consider training and background in this industry. Without that they thought alcohol could be served inappropriately in her absence. The committee suggested safeguards such as training and a backup person due to the schedule she would endure.

Mayor Morton stated that the Liquor Commission had met and found this person qualified to be granted a liquor license. She said the suggestions were fine and that many establishments have licenses that have managers. She noted the managers have not been subjected to the same scrutiny by the Liquor Commission. She noted that the role of the Liquor Commission is defined by law and that the commission has suggested people take training. She invited aldermen to sit in on Liquor Commission meetings.

Alderman Feldman said this was in no way a commentary on the Liquor Commission, noting that sometimes they discover things that had not been thought of. From the beginning this person indicated she had trouble keeping employees. If she had said she would hire a manager to take over when she was not there they would have been more comfortable. He suggested they might want to consider changing requirements. The committee asked the applicant to come back with a plan in two weeks.

Alderman Wynne understood approval of a liquor license by Council was discretionary and asked for a legal opinion.

First Assistant Corporation Counsel Herb Hill stated the City with all of its liquor license categories is at the maximum number allowed by the ordinance. There are no extra licenses available. Council is not required to create an additional license for any entity. The Liquor Commission reviews applications for obtaining a license to sell liquor. They determine whether the applicant is acceptable for a license. If the Liquor Commission determines the applicant merits a license, that is presented to Council, not to grant a particular license to an individual, but to expand the license category by that number. This has been the theory for the past 25 years regarding potential litigation. Since a license does not exist, the discretion of the Council is great, and Council need not issue a license by creating one in a category.

Alderman Newman stated this woman is an outstanding member of the community, who lives within minutes of this establishment and has a tremendous investment in making this work. She has all the incentive to follow the law. He noted there are all types of enforcement mechanisms and she will be held to the law. If she is not there all the time, she will have made a misrepresentation. He said not every applicant who comes before them is there all the time. He thought if this applicant was held to the same standard as Dominick's and Jewel type facilities, which have massive training budgets, she deserves the benefit of the doubt.

Marked introduced.

Ordinance 87-O-01 – Amending City Code to License and Regulate Immobilization of Vehicles (“Booting”) on Private Property by Private Entities – Consideration of proposed Ordinance 87-O-01, which would license and regulate immobilization of vehicles (“booting”) on private property by private entities.

Alderman Feldman reported the committee had unanimously voted to recommend extension of the sunset provision by

90-days during which time they would examine the design and possibility of a pilot program. Alderman Engelman clarified that they were only voting on the extension of the sunset provision. Alderman Newman understood that the ordinance on the agenda was not being acted upon and there was a substitute from the committee.

Mr. Hill explained the Council could move introduction of 87-O-01, then move an amendment by changing Section 1. Alderman Feldman moved introduction of Ordinance 87-O-01. Alderman Feldman moved approval of the amendment to extend the sunset provision by 90 days. Seconded by Alderman Rainey.

Mr. Hill explained that they are asking that Section 1 be amended by substituting the following language: “that Section 3 of Ordinance 38-O-00 is hereby amended by deleting the phrase 350 days and substituting in lieu thereof, the phrase 440 days thereby extending the sunset provision to October 9, 2001.”

Mr. Hill stated what was submitted to Council in the packet was not correct. Voice vote on amendment, motion carried.

Alderman Feldman moved to Suspend the Rules in order to adopt an ordinance that was introduced that evening. Seconded by Alderman Wynne. Motion carried. No nays.

Roll call. Voting aye – Engelman, Rainey, Feldman, Newman, Jean-Baptiste, Wynne, Bernstein, Kent. Voting nay – none. Motion carried (8-0).

PLANNING & DEVELOPMENT:

Zoning Ordinance Amendment Petition of Robinson Bus Co. – Consideration of the Plan Commission findings and report concerning zoning text and map amendments requested for bus parking at the property formerly known as the Mayfair right-of-way between Foster and Emerson.

Alderman Engelman reported that this item was held in committee and would be the first order of business at the next P&D Committee meeting.

Resolution 52-R-01 – Amending 39-R-96, Establishing an Honorary Street Name Program – Consideration of proposed Resolution 52-R-01, which approves a recommendation of the Citizen’s Advisory Committee on Public Place Names to amend Resolution 39-R-96 to allow an honorary street name to remain for four years, at which time it will be removed.

Alderman Engelman reported the committee recommended and he moved that the program be approved amending the Public Place Names Resolution 39-R-96 to allow honorary street names to remain for ten years. Seconded by Alderman Wynne.

Alderman Feldman asked why ten years? Alderman Engelman, who was in the minority on the committee, said the honor was in having a street named for a person, that any time frame was arbitrary and ten years was too long.

Alderman Kent spoke of the importance of this program in his community where many tried to bring youth and older people into cohesion; that these small signs honoring Bishop Moody, Bo Price and Hardist Lane are a mechanism that does that. He did not think they could put a time limit on at the celebratory moment when the community shares the achievements of individuals still working for the betterment of the community. He wished honorary signs in the 5th Ward could stay up forever. There are four signs up now and they would go ten years beyond now. He saw this as a positive for the City and for youth who can aspire and feel connected to individuals who have given years of volunteerism to the community. He noted that sponsors have to do a lot of work to get an honorary street sign up.

Alderman Newman said without a change to ten years, the Bishop Moody signs would have to come down; that nobody on the committee wished to take down any of the signs. He noted Burnham and Tallmadge are honored with parks named

for them and there are few ways to honor people today. He pointed out each of these individuals is or was a long-term resident and contributor to the community: Bo Price for 50 years, Reverend Norwood celebrating 25 years as pastor, Bishop Moody and Jack Korshak for many years. He saw this as a way to make a statement as to what is valued by the community. Evanston honors people who have made long-term public service commitments and this honor has been used sparingly. This action extends the honor for a sufficient period of time without harm to anybody. He thanked Alderman Kent for originally bringing this to Council.

Assistant Corporation Counsel Kathy Brenniman read into the record the following: the first amendment is in Section 1, paragraph 4, "The honorary designation expires" delete four and substitute "ten (10) years after its passage by City Council at which time signs will be removed." The next amendment is in Section 2 "That all Honorary Street Name Signs are grandfathered in to the extent that each honorary designation shall be displayed for an" delete the word total "additional ten (10) years from the date of passage of this Resolution and then be removed."

Alderman Rainey supported the ten-year time limit and noted some streets are named for events in history that no one can be proud of. She was thinking of Custer and the slaughter of Native Americans. Alderman Rainey complained that this resolution was not included in the packet and asked who pays for the \$100 fee. She wanted to nominate two people. Alderman Rainey moved to eliminate the \$100 fee to the nominee for Honorary Street Name Sign Program. Seconded by Alderman Feldman. Voice vote, motion carried.

Voice vote, motion carried.

Alderman Engelman requested that Ordinance 86-O-01 be referred back to committee. Seconded by Alderman Feldman.

HUMAN SERVICES:

Special Event – Duck Pluck – Consideration of a request of the Evanston Environmental Association to hold a Duck Pluck at the lakefront lagoon on Saturday, September 8, from 2:00-6:00 p.m. to raise funds for the Ecology Center expansion.

Alderman Newman moved to hold this item. Seconded by Alderman Wynne. At the request of two aldermen this item will be held over.

Alderman Newman reported that at the last Human Services Committee meeting many senior citizens came to comment on the subsidized senior/disabled taxicab coupon program. They discussed that taxicab drivers are not compensated adequately for the \$3.50 coupons and raising the cost of coupons to \$5.00. Senior citizens and people with special needs from throughout the city shared problems they have encountered with this program. He mentioned a citizen with special needs who told about several occasions where she was verbally abused by drivers. It came to light at this meeting that the Taxicab Advisory Board has not met for more than a year. He brought this to Council's attention because they are hearing about the problems with the coupon program such as drivers not being paid enough and other regulatory problems when there is a specific committee to help do the job. He suggested this committee meet at least quarterly and deal with these issues. The Human Services Committee will follow up on August 6 with some solutions and a dialogue with owners and operators of the taxicab companies. He said it is not acceptable for seniors or people with special needs to be verbally abused because they want to go by cab to a doctor's appointment or grocery store. Cab cleanliness is another issue. He asked Mayor Morton to look into why the Taxicab Advisory Board has not been meeting.

Alderman Jean-Baptiste stated one of the recommendations made was that the taxicab companies provide sensitivity training for their drivers. It was noted that the drivers bear the additional expense when a coupon is used. Even though the driver gets a coupon, if the ride costs an additional dollar or two, the cab company does not reimburse the driver.

Another issue discussed was complaints against police officers. He recalled an individual came before the Human Services Committee who did not agree with the Police Department review and at that meeting they could not offer

anything. The committee thought they should discuss what recourse is available to citizens who were unsatisfied with the police report. The committee took no action as there were differing opinions about the information provided by the Police Department and some believed the committee could not continue to say they provide recourse to citizens.

OTHER COMMITTEES:

Adoption of City of Evanston Budget Policy Guidelines – Consideration of a recommendation to adopt the proposed budget policy guidelines for preparation of the FY 2002-2003 budget.

Alderman Engelman moved approval of the Budget Policy Committee's Guidelines. Seconded by Alderman Wynne.

Alderman Engelman asked aldermen to look at the four scenarios in the packet; explained in the past when the City Manager presented a budget in December, they knew the cost of operating the City and estimated revenues and, invariably because expenditures have increased by 5% and revenues by 3%, there was a budget shortfall. That gap (usually 10-12%) was made up by the property tax. Council would spend January and February trying to get that property tax increase down to a palatable level. That is Scenario 4. One budget policy for seven or eight years was to not increase the levy. That created a problem because there are unfunded mandates. They are required to levy a certain amount for fire/police pensions and debt service. They found with this scenario, they were actually decreasing what they were levying in the General Fund, which is Scenario 3. For several years, recognizing that the General Fund needed to be expanded, they increased the levy to meet the unfunded mandates and debt service, which is Scenario 2. The Budget Policy Committee recommends, while recognizing that they must fund the unfunded mandates, they should not be attempting to fund all expenditures because there is a significant tax burden on citizens. The committee recommends that voluntarily, as a guideline, they keep revenue to the General Fund no higher than a tax-capped entity would do (3.4%). That is Scenario 1. They propose that staff bring in a preliminary budget that increases revenues to take care of unfunded mandates and to meet a slightly higher debt service of \$6 million, which includes \$1.5 million to improve parks. They ask that the General Fund be increased because they want to take advantage of some of the economic development projects. These pour more money into the economy and tax receipts, so the General Fund could be increased to take advantage of it. They asked that General Fund expenditure increases be limited to 3.4% and only a 3.4% increase in the General Fund portion of the tax levy; that police/fire pension funds be increased to meet actual requirements; that the debt service funds be increased to an amount necessary to fund the \$6 million Capital Improvement Plan. The committee believes this plan will require staff to recommend certain service delivery changes. And in so doing, they ask that staff bring this to Council in the fall, so it can be discussed. They asked staff, if they could, to not bring a property tax increase.

Alderman Newman commented that this was not really budget policy but budget recommendations for this year alone. He suggested it was flawed because it asks staff to do what Council has been unable to do. He said this budget cannot be balanced and find \$1.9 million in reductions. He recalled going through this exercise six years ago when all services were ranked and Council could not knock one off the list. He thought they were asking the City Manager to create a list of reductions, which would be presented in October and no discussion with the community before those reductions go on the list. He thought to enact this recommendation, the City would have to close branch libraries, reduce the parks budget and probably reduce police service. He asked what the committee sees as \$1.9 million in reductions? He recalled asking staff to reduce the budget by \$200,000. They came back with reduce FAAM by \$8,000. About ten people showed up objecting and artists object to reducing arts grants by \$15,000. In October there will be a list and he did not know how it would be generated. To cut the budget, the guidelines back them into where they've been before. A suggestion he made was to reduce the police officers in the high school and middle school brought strong response from the community. He noted privatization of sanitation services has been taken off the table. He could not imagine a list of \$1.9 million in programs in the City that would not affect senior citizens and the poor. They would have to eliminate health and job programs. Those recommendations are not appropriate from staff and should come from the Budget Policy Committee. He asked if there would be a public hearing on the list of proposed cuts? He suggested the responsibility of Council is to determine policy and staff to implement that policy. He thought this turned policy making over to staff.

Alderman Engelman stated identification of the problem and the solution to service delivery changes cannot be done in one or two months. It requires not only Council setting policy, but, more importantly, it also requires community consensus. The guidelines are not intended to be the only solution to the problem. One reason to establish focus groups is to have a broader discussion about the services that are important to the community and are they so important the community is willing to pay for them. That is the purpose of the focus groups. In addition, there are services provided that they may be able to make more efficient. That is the primary subject of the next budget policy meeting when they have invited major non-for-profit organizations to talk about working with City departments where they may be able to make service delivery efficiencies. One example is how can the hospitals participate with the City's Health Department? How can elderly care facilities here participate with the City's elderly care programs? The focus group problems and service delivery efficiency problems will not be solved between now and January. They need to be able to get the budget on the table. One thing they heard at previous budget hearings, was if they are going to talk about cuts, to not do so at the 11th hour. He said if the policy is passed, the City Manager will go to department heads and tell them how much money they have and ask them to deliver services for that amount and if they cannot, what would be the impact that will have. That impact will be brought to the attention of the Budget Policy Committee when they receive the preliminary budget. Council will decide policy issues. They are looking at what they are getting for a buck. They want to make sure staff is as efficient as possible before suggesting cuts.

Alderman Feldman recalled when the Budget Policy Committee concept was generated he thought that the committee would tap into various constituencies within the community. He noted that almost every dollar spent has a constituency, which aldermen witness constantly. Even mention of a possible cut and the phone starts ringing, letters come and organized opposition comes into effect. Each constituency deals with the Council and accepts responsibility for one aspect of City government that is theirs. That means individual constituencies are concerned only about their issue while the Council is concerned about all issues. He thought they were going to get various constituencies together and, for example, let the elderly tell the soccer people to take a cut and they (seniors) won't. Let the argument be in the community of which the Council is a part. He was not as concerned about focus groups, which he said tell what people want but don't go to battle for something. He suggested the power in the community lies in the ability of citizens to focus around an issue and petition Council. What it does is position Council against each constituency. He wants to find out if there are people here who recognize that Evanston has a problem: don't want to increase taxes, yet expenditures keep growing and there is a huge appetite to do well. The appetite is to create a society of grace and beauty and take care of populations that need special help and services. Let all of the people know this and ask if these are community values. If so, then some or all have to agree on how the City is going to spend its money. If it means postponing something, they postpone. He recalled when former Alderman Drummer and he told a group that all wanted different things and there was a certain amount to spend. They came together to prioritize and defer and worked it out. That is the kind of leadership he hoped the Budget Policy Committee would create – a community dialogue.

Alderman Jean-Baptiste thought Council would reach out to citizens, do strategic planning and look beyond the yearly process. They would need to go beyond one year if they were to make the kind of choices Alderman Feldman described where people buy into a process to defer their interests for the short term and gain down the line. He did not think they would be credible when they talk about cutbacks. Those who suffer most are most in need. Unless they have a long-term perspective, he did not think people would buy into a process where they would defer their interests and look at the broader interests of the City. They must think long-term to solve this problem.

Alderman Wynne agreed with Alderman Jean-Baptiste that one of the most critical aspects they have struggled with is strategic planning. They are undertaking that with the focus groups in terms of analyzing the budget for longer terms. She described what they are doing as a parallel process. One is working on immediate guidelines for the upcoming budget and the other is strategic planning input from the focus groups to gain community consensus. Obviously they need dialogue with the community as part of this wherein constituencies recognize they are part of a whole. The committee is trying to educate the public. She recalled a goal setting session where they asked how they could get as much of this information to the public and let them see the decisions Council is making. She noted a diverse group of residents have attended the Budget Policy Committee meetings. She would like an even wider group of people to be aware of the budget

questions before this Council. She thought the critical component was disconnecting people from such a tight bond to their own issues and making them realize all are in this together. The budget needs to be “our” budget, not just the City’s budget. The committee has asked staff for an array of choices and she did not think they were asking staff to make policy decisions. Council is elected to make policy decisions. After four years in office, she still does not know this budget well. She thought staff was in the best position to provide choices. The point was to start this discussion earlier so they don’t end up at the 11th hour with a small group complaining about their \$5,000 slice of the budget. Then Council spends a disproportionate amount of time discussing a tiny percentage of the budget instead of spending time looking at the long range. What they are trying to do is pay attention to the larger issues; alert the community to what they are facing. She stated no one wants to cut any program ever. People always want to add. Council makes the policy decisions with input from the community, however it is a two-way street and people must be educated as to what is happening.

Alderman Newman recalled going through this process eight-nine years ago when it was turned over to staff. They were asked to suggest cuts and Council is still paying the price for cuts recommended by staff that aldermen did not fully understand. One “so-called efficiency” they found five years later was that trees were not getting trimmed. He has found when efficiencies were enacted in sanitation, piled up garbage will sit on Sunday nights, because the City doesn’t pay overtime. He said the fine print is important. He wants complete written descriptions of what will be the implications. He predicted that the focus groups would recommend cutting the Community Defender Program. He noted there was no mention of the focus groups in the guidelines, which places the recommendation for cuts with staff. He said there would be intense scrutiny of recommendations to change any department. He urged them to put it out front. They all voted for the zero percent increase budget of Eric Anderson, who did funny numbers in Fleet Services. He thought they deserve complete information to understand what will happen.

Mr. Crum agreed with all Council members who spoke. He stated that staff will start on the budget in the next 30 days and would rather have preliminary guidelines to work with than operate in a vacuum. The guidelines as stated are a good start and he could not guarantee all would be happy with the results. Every time he puts together a budget and it comes as a surprise, the reaction is that it is stupid no matter what it is because everybody cannot be pleased. Either they have to cut something or raise taxes. He urged Council to move forward to see what they get. Staff is shooting for October rather than January. He agreed with Alderman Newman and believes in being honest. He is not into hiding things. If something is going to be cut and services reduced, he wants to know about it. He has had to live with things that happened before that they discovered as they went along. The easiest guideline Council could give is to spend whatever he likes and they will cover him, but that is an unacceptable budget guideline now. He urged them to move forward.

Alderman Feldman recalled sitting on the Mental Health Board and looking at various agencies they fund. These agencies had community support and met basic needs. They were to find one or two to cut or cut to an extent it became meaningless to support them. That constituency comes and asks why they are no longer important. Do they no longer want to support the arts, this or that? Are they asking staff to do that? The most benign way they got through was to cut every agency 1½–2% and did it on the basis that there were no more funds. He could understand if the City Manager came with a request for a 1½% decrease for departments and the effect of that. This may be impossible. He recalled they could not cut 101 services. The arts community asked if they were last in line? He did not want staff making decisions about how the City spends human services money. If that has to be cut, the Mental Health Board and Human Services Committee must do it. He asked where they could cut in the Police Department? He did not think they have enough police officers. If the City does not have enough money, cut across the board or find other ways to deliver services. He agreed with Alderman Newman that aldermen must understand the meaning of every cut because they have been wounded. This community is just beginning to recover from a sleight of hand that a former City Manager did where the budget was cut dramatically and the heart out of services, which residents felt.

Alderman Newman asked Mr. Crum, taking Alderman Engelman’s efficiencies and potential hospital savings, would he have to make substantial cuts in service programs? He noted the police/fire department budgets are one-third of the budget. Mr. Crum stated if he had to cut \$1.9 million out of this budget it would mean significant service cuts.

Voice vote, motion carried. No nays.

CALL OF THE WARDS:

Alderman Rainey invited all to the opening of the new police outpost, 633 Howard St., Wednesday, July 11, at 6:30 p.m.

Alderman Rainey referred a recommendation to staff for a response to enforce the mandatory recycling program for residential housing of one-four units and condominiums. She stated to some extent the mandatory recycling program is not adhered to. Alderman Rainey made a reference to A&PW Committee to consider inclusion of rental buildings with more than four units in the City's recycling program.

Alderman Rainey reported an increase in ugly graffiti on public property including park equipment and signs. She appealed to parents and could not believe there could not be evidence of materials used for this activity. She said parents need to be vigilant in their homes/garages, children's bedrooms and look for paint on children's clothing. She noted this is not a display of artistic ability, but a vicious destruction of public property that costs the community a goodly sum to remove. She urged people to be diligent in watching for graffiti and to report it.

Alderman Newman thanked staff for their work on the Klutznick project. He spent time working on the financing mechanism and said they did a great job. He thought the action of Council that night continues the revitalization of downtown Evanston. He noted Bar Louie is a great addition to downtown and the opening of the Hilton Garden Inn.

Alderman Jean-Baptiste urged all citizens to come and enjoy the downtown area, noting that downtown Evanston belongs to everybody.

Alderman Bernstein reported *Country Home* magazine ranked Evanston's 4th of July Parade as one of the top five parades in the nation and thanked the 4th of July Association for another safe holiday.

Alderman Bernstein wished Mr. Klutznick good-luck; saw the development as exciting and of benefit to all. He announced the next evening the Cook County Assessor would be present in the Council Chamber to answer questions about property taxes in Cook County; Saturday, July 14 the Cook County Assessor and Evanston Township Assessor's office will assist taxpayers in processing property assessment appeals. He reminded all that the deadline to appeal tax assessments is Monday, July 16.

Alderman Bernstein congratulated Ann Jennett, founder of the Youth Job Service, who for 18 years has helped low- and moderate-income youth of the community find employment.

Alderman Kent commended Community Development Director James Wolinski and Inspector Erich Woppel for their work in the 5th Ward. Alderman Kent received a Notice of Violation on his home and was cited to scrape and paint all wooden surfaces and the entire lower brick section of the house. He will do the work and be re-inspected on August 13.

Alderman Kent announced the first of a series of neighborhood meetings in the 5th Ward on Thursday, July 12, at 7:00 p.m. at Family Focus with the Plan Commission and neighborhood planner Susan Guderley.

Alderman Feldman announced a special Rules Committee meeting on July 12 at 7:00 p.m. to discuss reapportionment. Mayor Morton said redistricting does not go into effect until the next municipal election. Alderman Newman stated the City of Chicago has a December 1 deadline. She thought Chicago might have an election next spring. Mr. Crum stated as soon as computers were up, information on time requirements would be shared. The actual legal requirements are redistricting has to take place 30 days before the next municipal election.

There being no further business to come before Council, Mayor Morton asked for a motion to adjourn. The Council so moved at 12:23 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.