MEETING MINUTES
Administration & Public Works
Monday, June 11, 2012
5:45 P.M.
Lorraine H. Morton Civic Center, 2100 Ridge Avenue, Evanston
Council Chambers

Members Absent: Ald. Grover
Staff Present: Wally Bobkiewicz, Godwin Chen, Cheryl Chukwu, Dolores Cortez, Paul D’Agostino, Brandon Dieter, Chief Eddington, Grant Farrar, Doug Gaynor, Steven Griffin, Jewell Jackson, Lonnie Jeschke, Chief Klaiber, Karen Danczak Lyons, Marty Lyons, Joe McRae, Johanna Nyden, Nancy Radzevich, Suzette Robinson, David Stoneback, Rickey Voss, Paul Zalmezak
Others Present: Ald. Wynne
Presiding Member: Alderman Burrus

I. DECLARATION OF A QUORUM: ALDERMAN BURRUS, CHAIR
With a quorum present, Chair Burrus called the meeting to order at 5:53 p.m.

II. APPROVAL OF MINUTES OF REGULAR MEETING OF May 29, 2012
A voice vote was taken and the minutes of May 29, 2012 were unanimously approved.

III. ITEMS FOR CONSIDERATION
Ald. Wynne asked that item A12, Ordinance 58-O-12, be withdrawn from the agenda. She stated that meeting with merchants and other stakeholders has generated new ideas about changing the map boundaries. In order to do this, we need to remove this ordinance from the agenda and present a whole new one. It was moved and seconded that the item be withdrawn, the vote was unanimous.

(A1) City of Evanston Payroll through 05/20/12 $2,704,051.33
A voice vote was taken and the Payroll through 05/20/12 was unanimously approved.

(A2) City of Evanston Bills FY2012 through 06/12/12 $5,892,681.27
Credit Card Activity through 04/30/12 $121,807.57
Ald. Rainey clarified her question concerning payment to CarQuest Evanston Auto Parts. She had wanted it to be a statement, not a question. In the future, she suggested, the payments should explain what were the parts purchased. A voice vote was taken and the Bills List through 06/12/12 and the Credit Card activity through 04/30/12 were unanimously approved.
(A3) Approval of Contract Award to Jasco Electric Corporation for the 2012 Sherman Garage Light Pole Project, (Bid 12-129)

Staff recommends that the City Council authorize the City Manager to execute a contract with Jasco Electric Corporation (2750 Barney Court, McHenry, IL) for the 2012 Sherman Plaza Garage Light Pole Project in the amount of $56,720. Funding for this project (Capital Improvement Project #416138) is provided by the Parking Fund, Account 7005.65515 with a budget of $800,000.

A voice vote was taken and A3 was unanimously approved.

(A4) Approval of December 31, 2011 GASB 45 Other Post Employment Benefits (OPEB) Report

Staff recommends City Council accept and place the December 31, 2011 GASB 45 Other Post Employment Benefits (OPEB) Report on file. As a part of the Annual Financial Report, the City is required to provide an evaluation of the total liability of all other post employment benefits (OPEB).

A voice vote was taken and A4 was unanimously approved.

(A5) Resolution 25-R-12 Authorizing the Release of Closed Session Minutes

Staff recommends City Council approval of Resolution 25-R-12 authorizing the release of the closed session meeting minutes listed on Exhibit A and finding that a need still exists for confidentiality as to the minutes on Exhibit B.

A voice vote was taken and A5 was unanimously approved.

(A6) Resolution 38-R-12 Authorizing the Acquisition of Real Property Located at 1801-05 Church Street through Condemnation or Other Means

Staff recommends the approval of Resolution 38-R-12 authorizing the City Manager to negotiate the acquisition of the real property at 1801-05 Church Street through condemnation or other means. Staff recommends adoption of this resolution in order to provide the City with as many options to acquire the property, including eminent domain, as possible, and out of a desire to limit the City’s liability for environmental remediation issues.

Paul Zalmezak (Economic Development Coordinator) started this item with a short slide presentation. The Department is asking that this resolution be passed as it limits the City’s liability from claims of environmental contamination from future owners of the property. If approved, the staff will return at a future meeting to seek authority to execute a contract to purchase. P. Zalmezak indicated that it is likely the owner of the property would accept an offer under $150,000, significantly less than the appraised value of $340,000. Even when including the total costs for the environmental studies, and the estimated $75,000 to remove the four underground storage tanks and remediate the site, the total acquisition cost of $217,265 remains significantly less than appraised value. The City’s acquisition of the property, according to Mr. Zalmezak will secure the property for future redevelopment and provide a level of certainty as the back taxes have been purchased by Phoenix Bond & Indemnity who has filed a petition for deed. Ald. Rainey asked if Mr. Daniel Cheifetz does not clear the taxes and penalties owed, (approximately $45,000 by the July 25 court date), does the property go to Phoenix Bond & Indemnity. P. Zalmezak confirmed that the property would transfer to Phoenix Bond at that time. P. Zalmezak stated that if Mr. Cheifetz wishes to sell the property to the City prior to July 25th, he has to pay the back
taxes and penalties to clear the title. From preliminary conversations, Mr. Cheifetz indicated he is aware that clear title is a requirement to close a sale. Staff has not negotiated he said and nor have they communicated with Phoenix. Ald. Holmes asked if municipalities could redeem taxes and Grant Farrar (Corporation Counsel/City Attorney) said that their is no way for the City to do so at this late date. Ald. Rainey then asked when the last time was that the Legislature allowed for eminent domain in a TIF and stated they have not really keen on condemnation in the past she thought. P. Zalmezak said that he would have to do research on that subject and also reiterated that the City is not intending to use TIF to acquire the property through condemnation. Ald. Burrus wanted it clear that due to the environmental situation, no basement could be excavated. She stressed that the City plans to buy a contaminated property and that future development might be limited to only slab on-grade construction. P. Zalmezak agreed that the consultant’s estimate of $75,000 provides for a level of remediation allowing for future use as a surface parking lot or other cap like a park or garden. He added that this level of remediation is not uncommon for a service station site. Ald. Burrus asked how deep the consultant would need to dig to remove the soil and P. Zalmezak indicated that he believed the consultant indicated that a six inch layer of soil would be removed, but would need to review his notes or contact the consultant for specific depth (later determined and reported three foot depth for the footings of the foundations only, not the entire site). Ald. Burrus stressed that acquiring a contaminated property is a huge responsibility. There is no potential for redevelopment with remediation costing up to $100,000 plus and the limitations resulting for future redevelopment. Ald. Holmes asked if the four tanks will be removed and P. Zalmezak responded that if this resolution were approved, an agreement with the environmental consultant to remove the tanks and prepare the site to a condition to create a slab base for development would be signed. Ald. Burrus thought the $75,000 quote to clean-up the site was very low. P. Zalmezak noted that at 1459 Elmwood (the property Ald. Burrus referenced in comparison), Mr. Cohn (owner) only reported a rough estimate without having actually hired a consultant, at the time he presented to Economic Development Committee earlier this year. At that time, there was no environmental study to determine the level of contamination and remediation. Staff on the other hand has a firm estimate from a reputable environmental consultant. P. Zalmezak said the City has conducted as much due diligence one can do prior to removing the tanks according to the consultant. Ald. Rainey said that the City had approved a resolution allowing the owner to pursue a Class C tax option based on the fact that the cost of remediation exceeds a certain percent of the value of the property. If it did not exceed that actual remediation cost, then he would not be entitled to the tax exemption. Mr. Cohn said he would not apply for a Class C if the City of Evanston would not support his efforts to obtain this exemption. Ald. Rainey indicated she believed that now we are buying a piece of property that may not be saleable. Remediation now would make the property more saleable. I do not think we have enough information. Staff should be authorized to talk with Mr. Cheifetz and Phoenix Bond & Indemnity. She indicated she would like more real time information regarding Daniel Cheifetz willingness to clear the back taxes and fees and if staff had talked with Phoenix Bond & indemnity. P. Zalmezak restated that if the City Council agrees to acquire the property, Mr. Cheifetz has no choice but to pay the back taxes and fees to clear the title. Staff would return at a future date to seek authority to negotiate. This resolution does not include a contract.
A voice vote was taken and A6 was approved 3-1, Ald. Burrus voting no.

(A7) Resolution 44-R-12 Amending the FY2012 City of Evanston Budget
Staff recommends approval of Resolution 44-R-12 – Authorization to amend the FY 2012 Budget. The proposed amendment would increase the FY 2012 Budget Appropriation by $8,763,000, from $250,096,993 to $258,859,993.
Ald. Rainey opened by stating that she has been fighting the closing of the Howard/Hartrey TIF. She recognized that it looks better to close one before opening another. She said she felt it should be allowed to go the duration and not be sacrificed so another TIF could be opened. Ald. Rainey said that she would like to amend the Howard/Hartrey part of this resolution to reduce the 1.3 million dollars to provide for surplus distribution to read 1.0 million dollars leaving $300,000 in reserves. This money could be use for infrastructure improvements. The area is in terrible disrepair. And, there are more large expenses to come. Marty Lyons (Assistant City Manager/CFO) reiterated Ald. Rainey’s proposal to change the 1.3 million figure to read 1.0 million dollars. Ald. Braithwaite seconded the amendment. A voice vote was taken and it was approved unanimously.
A voice vote was taken and A7 was unanimously approved as amended

(A8) Resolution 45-R-12 Approving the Amended FY 2012 Capital Improvement Program
Staff recommends approval of Resolution 45-R-12 amending the FY 2012 Capital Improvement Program (CIP). The proposed resolution would increase the FY 2012 CIP by $4,613,000 from $36,783,358 to $41,396,358.
A voice vote was taken and A8 was unanimously approved.

(A9) Resolution 47-R-12 Relating to Prevailing Wages for Public Works Projects
Staff recommends City Council approval of Resolution 47-R-12 relating to the prevailing wage for public works projects in Cook County as established by the Department of Labor.
A voice vote was taken and A9 was unanimously approved.

(A10) Resolution 49-R-12 Appointing a Delegate and an Alternate Delegate to the Intergovernmental Personnel Benefit Cooperative (IPBC)
Staff recommends appointing Assistant City Manager/Treasurer Martin Lyons as the City’s delegate to the Intergovernmental Personnel Benefit Cooperative (IPBC), and Human Resources Division Manager Cheryl Chukwu as the alternate delegate.
A voice vote was taken and A10 was unanimously approved.

(A11) Resolution 12-R-12 Regarding Howard/Hartrey TIF Surplus Distribution
Staff recommends the City Council approve Resolution 12-R-12 declaring a surplus of $1.3M from the Howard/Hartrey Tax Increment Financing (TIF) District at the end of Fiscal Year 2011. This item was held in the Administration and Public Works Committee meeting on December 12, 2011.
This item is amended as voted on in item A7. Ald. Rainey asked about earmarking school funds to being directed towards teachers. They are spending out of their own pockets. Can any of this money be used to cover cuts in plans/budgets. M. Lyons said it is up to the schools to decide on the use of the
monies. This resolution is to be placed with the County to distribute the monies. Ald. Rainey suggested that the City does not have to close a TIF. That way the City can request uses for the money. Ald. Holmes thought it was only the High School where the City can offer suggestions. M. Lyons said that the money will not reach the schools until the 12-13 fiscal year. Our year ends this December. A voice vote was taken and A11 was unanimously approved as amended.

(A12) Ordinance 58-O-12 for Designation of the Proposed Chicago/Main Tax Increment Financing District
Staff recommends adoption of Ordinance 58-O-12, which will initiate the public hearing process for designation of the proposed Chicago/Main Tax Increment Financing (TIF) District.
This item was pulled at the beginning of the committee meeting per Ald. Wynne’s request.

(A13) Ordinance 65-O-12 Amending Portions of Title 3, “Hotel-Motel Tax”
Staff recommends adoption of Ordinance 65-O-12, amending Ordinance 28-O-73, an ordinance establishing the Hotel Tax. This Ordinance was originally adopted with the provision that hotel taxes would be deposited into the City’s General Fund. In 2000-01 as part of the Annual Budget approval, these funds were moved to the Economic Development Fund. This amendment will update the City Code to reflect current practice.
Ald. Braithwaite asked if the City kept track of how much each hotel contributes to the fund. M. Lyons said they do. Ald. Rainey asked if Bed and Breakfasts contributed to the fund. Steven Griffin (Director Community and Economic Development) said the City has no legitimate ones now but when there are some, they will need to contribute.
A voice vote was taken and A13 was unanimously approved.

IV. ITEMS FOR DISCUSSION

V. COMMUNICATIONS

VI. ADJOURNMENT
Ald. Rainey moved and Ald. Braithwaite seconded that the meeting be adjourned. Chair Burrus adjourned the meeting at 6:35 p.m.

Respectfully Submitted,
Phillip Baugher
Administrative Assistant, Administrative Services