ADMINISTRATION & PUBLIC WORKS COMMITTEE
MINUTES
Monday, October 12, 2009
Lorraine H. Morton Civic Center, 2100 Ridge Avenue, Council Chambers


Members Absent: none

Staff Present: Chief Berkowsky, David Cook, Dolores Cortez, Hitesh Desai, Chief Eddington, Suzette Eggleston, Steve Drazner, Doug Gaynor, Jewell Jackson, Shanee Jackson, Lonnie Jeschke, Marty Lyons, Dennis Marino, Angela McCray, Joseph McRae, Anita Patel, Elke Purze, Paul Schneider, Bruce Slown, Donna Spicuzza, David Stoneback, Evonda Thomas

Others Present: Ald. Jane Grover, Amy Williams & Alex Rivera of Gabriel, Roeder & Smith Consultants & Actuaries, Tim Schoolmaster, President of the Police Pension Board, Craig Vespa, Senior Project Manager of Halvorson & Partners

Presiding: Ald. Rainey

I. DECLARATION OF QUORUM
With a quorum present, Alderman Rainey called the meeting to order at 5:44pm.

II. APPROVAL OF MINUTES OF REGULAR MEETING of September 29, 2009
Minutes were unanimously approved, 5-0

III. ITEMS FOR CONSIDERATION

(A1)* City of Evanston Payroll through 9/27/09 $2,318,770.06
Item A1 was unanimously approved 5-0

(A2)* City of Evanston Bills through 10/13/09 $1,952,713.85
Item A2 was unanimously approved 5-0

(A3.1)*Actuarial Report for Fire and Police Pension Obligations
Recommend approval of the actuarial report by motion for usage in the 2009 tax levy process. The percentage increase in the Annual Required Contribution from 2008 to 2009 is 9.6% or $1,235,904. The unfunded liability for both funds increased from $145,792,613 to $158,899,155. At the September 29, 2009 Administration and Public Works Committee meeting, this item was held for discussion.
Chairman Ald. Rainey explained the item being held over from the previous Council meeting for two weeks for review and have time for presentation and discussion. She opened the floor to Marty Lyons, Assistant City Manager, who introduced Gabriel, Roeder & Smith, the City’s Actuarial firm. Amy Williams and Alex Rivera discussed both reports page by page for Police and Fire Fighter
Pension Fund in a presentation. Chairman Rainey called attention to the Sign-Up sheet and asked if anyone wanted to add their name. Hearing no response, she returned the floor to the presenters. Amy Williams introduced herself and Mr. Rivera, the firm, presentation of the results of the actuarial valuations and the purpose of an actuarial valuation. Chairman Rainey interrupted to remind the audience and committee members if there were any questions to interrupt before Amy gets further into the presentation. Chairman Rainey asked if GRS was using information from the City of Evanston only or a bigger universe for projecting salary increases. A. Williams replied, “What we have is an assumption that each participant will get a salary increase of 5% and when we developed that assumption, we had looked at average increases for Evanston participants, although something that we have seen in the past three valuations is that participants are on an average receiving higher increases than the 5% assumption.” Chairman Ald. Rainey asked that going forward, that assumption will be changed. Ald. Jean-Baptiste confirmed that Evanston is being used as the base of the assumptions. A. Williams replied, “Yes, we would look at Evanston and want to make sure the assumptions are appropriate for the experience in Evanston.” Ald. Jean-Baptiste confirmed the time frame of assumptions is from 2008 – 2009 and mentioned the economic crisis started in 2008. The assumption that annual increases would be 5% and then the assessment of reality that it is in fact 7 and 8%, he does not think that’s the truth. He understands the assumption, but he does not think that is even the reality that it is 7 or 8% in terms of what has been rewarded to the firefighters and police. Thus Ald. Jean-Baptiste suggested GRS take a closer look at the current facts.

A. Williams responded explaining the process when reviewing risk, “Okay when we do look at the actual experience, we’re looking at actual participant data that was provided to us as of March 1, 2008 and March 1, 2009. And something that we did notice police officers and firefighters with less service are receiving higher increases than firefighters and police officers with higher number of years of service and because there seems to be a higher concentration with low service, it looked to us like they were perhaps getting step or merit increases that were contributing to the higher increases in the salaries.” Ald. Jean-Baptiste stated, “That’s not necessarily determinative for me, the projection of investment return on page 5, you say your assumption was at 7.25. How do we project that in 2008 when things were just going out of order. Were you the guys the ones who did the last…you served as the actuary before (asking to Alex Rodriguez) What was the actual increase on investment then at the time that you did your report?”

Chairman Ald. Rainey recalled the pension funds were projecting 7+% increase. Ald. Jean-Baptiste continued, “At the time that they made their analysis, what was it? I don’t think it was that high.” Alex Rodriguez, of Gabriel, Roeder & Smith responded, “Our valuation takes into account what’s expected to occur during a horizon of 20 to 30 years. Short term volatility, we review it, we don’t necessarily assume that the short term volatility will drive the calculations into the future. So we look at the Capital Market structure and what investment consultants are assuming that the fund could earn in the long term in terms of equities, bonds, and other investments. And then over a 20-30 year horizon, we look at the 50th to 75th percentile. Let’s say a 30% chance that the fund would earn let’s say 7.5% and that’s really our benchmark or our target and that’s defined by actuarial standards of practice. So even though the fund may have earned -10, -12, -13 in the short
term, we’re projecting cash flows over a 30-40 year period. So we’re looking at a very long horizon, not a short term period when we determine or set the assumption rate.” Ald. Jean-Baptiste asked “You didn’t look at last year’s return to project what next year might be, you just looked at the last 30 years?” Alex Rivera clarified, “We don’t look at market history, we look at what’s expected to occur in the future, they’re forward looking capital market assumptions.” Ald. Jean-Baptiste asked the following, “In your projection of the actual analysis are the valuation results of the police and fire fighters unfunded liability? For example, the fire fighters went from 64 to 70 million from last year. This is what I’m reading right there, unfunded liability. And then you project out of that (…follow me?), so both the police and fire fighters unfunded liability increased significantly. And you project contribution - because you’re making certain assumptions and making certain projections and you are stating that contributions ought to increase by that amount in order to keep pace – right?” Mr. Rivera responded in the affirmative. Ald. Jean-Baptiste continued, “Do you also deal with actual capacity of the municipalities in terms of the projection of the capacity of these manipulates to be able to meet those obligations and do you project based on the trend for us to then fall significantly behind because since everybody else is falling behind, then the projection that municipalities will have to increase the contribution, do you also draw the conclusion that municipalities will begin to run into significant difficulties in their attempt to make the contributions to meet the unfunded liabilities that are growing by almost 9%, 7% a year.” Chairman Rainey asked if she could intervene and clarified GRS’s role in the City, “That’s not their job, their job is to tell us what the legally required minimum contribution is. It’s our job to figure out how to come up with the money to pay it. It’s really as simple as that. It’s a very sad situation, these people are just to tell us what we have to pay. The State of Illinois tell us that.” The floor was then turned over to M. Lyons, Assistant City Manager. “Two things: First the raise issue. It was a concern when we had the Blue Ribbon issue, it’s still a concern, one of the things that we talked about at that committee level, was if we noticed a trend, even in the short term. So we would say we have a trend in the short term – 3 years in a row, we didn’t meet our assumptions on the wages. So should we consider adjusting it and this is on record already, so I’m not saying anything that we haven’t said before. So the idea would be is if we didn’t make our 5%, we should go to 5.25% and we should watch that for a year or whatever the policy is and then keep going up. Same token on the rate of return, if the market stays where its at, we should begin to lower that assumption. And we already did that just a bit ago when we made our changes. So it’s quite likely that next year’s report should be done with a 5.25 and 7 instead of 7.25 and 5. And that will have a beneficial impact on the funding of the pension funds, whatever source we take to make that funding.” Ald. Jean-Baptiste asked what did Mr. Lyons mean by “beneficial”. Mr. Lyons explained, “it will increase the funding because we will have tightened the assumptions to say we think raises will go up at 5.25, how much money do we need over 30 years to cover the pension fund.” Chairman Rainey stated, “Is that right? I believe actuarial science should be a little more realistic, having said that, I don’t think that we should have the flexibility to manipulate the numbers so that we owe less.” Mr. Lyons explained, “We would use guidance from our actuary on what they see with other funds and with what’s happening in the industry. We certainly wouldn’t go out on a limb and do it on our own.” Chairman Rainey
reminded Council, “We had actuarial assumptions that put us in a much better light than we are today. Now we have a problem that has to be dealt with. I think that we should be very careful playing with these numbers. I do think that we ought to look at this 7.5%. I remember the police and fire pension funds projecting those kinds of returns. That’s not happening. I understand about how you have to average. I just think it’s not realistic.” Alex Rivera added, “The investment return assumption is 7.25 but if the model indicates that, it becomes an outline or a very aggressive assumption then our recommendation would be to lower it. And that would have the effect of increasing contributions.” Chairman Rainey asked a question, “Is the assumption regarding rate of return on investments based individually on each individual pension fund or is it an overarching assumption based on a collection or universe of pension funds?” Alex Rivera responded, “It’s based on a portfolio of Evanston’s police and fire pension fund and a set of capital market assumptions, and the expected long term future return of equities and bonds.” Chairman Rainey asked, “What were the assumptions proposed by the police and fire pension funds regarding their rate of return?” Alex Rivera responded, “I’m not sure what the investment consultants projected as far as expected in the short term but based on general capital market assumptions, I think the range was roughly 7.5 to 8.5% for equity and about 5 to 6% for bonds, but the capital market assumptions could vary from investment consultant to investment consultant, but those are general ranges.” Chairman Rainey closed the floor to discussion so Ms. Williams could continue with the presentation. Ald. Jean-Baptiste asked Ms. Williams to explain the interest adjustment on slide 10. She explained, “The actuarial valuation we’re calculating the contribution at March 1, 2009 however, the levy I believe is made in December 2010 and then the money is actually collected and deposited in 2011 so that interest adjustment is to account for the fact that the money won’t be received until about two years from when we’re making the calculation.” Ald. Jean-Baptiste asked, “So by the time the money is turned over then the total amount should be less than initially levied as accumulated interest.” Ms. Williams expounded, “Correct, so we would want to deposit an additional amount which would represent the foregone interest between if we had deposited it at March 1, 2009 but it didn’t actually get deposited until 2011 so it would’ve been some interest earned during that period so we want to account for that, include that in the contribution calculation.” Ald. Jean-Baptiste stated, “So in December 2009, we levied, x amount of dollars to make our contribution. We won’t deposit that contribution until 2010. If we deposit it later, is the interest interest earned from the time that we levy it and then deposit the money?” M. Lyons answered, “The issue is we have approximately between a 12 and 24 month lag where if we were for instance taking the March 1, 2009 valuation and putting that into the December 2009 tax levy as one of our funding sources, then the lag from the date of to the point when the funds receives money would be less and the interest adjustment would also be less. The fire fighters fund for instance, the increase is from 5.8 to 6.3 million dollars. Well, if we took that increase this year, would there be any reduction in the amount because there’s no interest, or the interest calc would go down. My point is that, if we get rid of the lag year, it’s not as if we would have to go from 5.8 to 6.3, it would be a lesser amount and we then be contributing earlier into the fund or I should say on a more timely basis into the fund.” Ald. Jean-Baptiste asked what the interest is earned on. Lyons replied,
“The interest is earned on the 6.3 or 5.8, the total amount we should put in, isn’t put in for 18 months at 7.25, that’s what it would’ve earned as well, so that’s a fair interest rate. So during that time frame we’re paying 7.25% on that interest that now that is also part of what we owe to the pension fund.” Ms. Williams offered Committee another way to think about it, “Maybe if we had made the contribution on March 1, 2009 it would’ve earned 400k in interest by the time the money is actually coming in. So if you would’ve put it in today, you wouldn’t have to put in that extra amount because we assume it would’ve earned 400k, but since you didn’t put it until later.” Chairman Ald. Rainey opened the floor to Tim Schoolmaster, Evanston Police Pension Fund Board, to give his presentation. Chairman Ald. Rainey mentioned she was advised that the fire fighters would be here but they’re at a pension conference, they’re not available.” Mr. Schoolmaster introduced himself, his role as President of the Board of the Police Pension Fund since 1986, his previous position, his interest in the fund, his residency, and future plans. He closed his introduction with a disclaimer of not speaking for the Fire Pension Fund Group but mentioned speaking with Mr. Brumbach, Secretary of the Fire Pension Board, at the conference and will share mutual concerns at this presentation. Let me just say at the outset, I’ve known Mr. Rivera and his firm, GRS, they’re a respected actuarial firm. We may have a few issues with them, which I’ll address here tonight. Mr. Schoolmaster’s concerns are summarized as the following:

- Making sure that the money is there when the participants need it.
- The funds have never had a number in the 7’s on this, there is no history that would suggest anything net of fees much more than 6.3, 6.35, maybe 6.5, 6.75%.
- Strong objection that reaching 7% is not attainable with the current mix and suggest a more appropriate lower figure.
- Overall reasonableness of the assumptions is what is important.
- With a fund this size it’s necessary that the choice for assumption would be supported by overall fund experience. GRS appears to use identical actuarial assumptions for all of their down-state consulting work with that size of the fund and that approach is thought to have an effect.
- The real rate of return (approximately 3.75) which would be over wage inflation, and this would be the 7.25% over the wage inflation, is statistically unsupported for public safety funds with restricted investments.
- GRS only assumed a 3.5% real rate of return for IMRF which can invest in anything they want.
- Salary increases.
- Disability incidents and mortality: the railroad table greatly understates the liability to the fund and would like to discuss that.
- Proposal of a full scale experience analysis being appropriate and if the City thinks that it might be helpful in the future, the Police Pension Board would probably agree to fund half of that.

Chairman Rainey, asked Mr. Schoolmaster to explain what a full scale experience analysis would do for the City and how would it shed new light. Mr. Schoolmaster continued, “A lot of assumptions we’re using are general assumptions that may or may not apply here. It may show that we owe less, it may
show that we owe more. But I think we’d be more comfortable in that we’re actually going where we’re going. Just a reminder that of this figure they’ve generated for both funds, about 5 million dollars is the pension cost, 9 million dollars is the interest cost on money that has not been put in. I think both funds agree, our biggest objection has been with the process. We started asking in April. Mr. Lyons has been busy, I’ve been busy, the fire gentlemen have been busy. This report was in the hands of the City for about 80 or 90 days before it was divulged. And we have since sent it out to a consulting actuary that we’ve used for comment and analysis and we will report back to you when we have that. But we do have some idea what some of the questions will be, and I’d be happy to answer any questions if there are any.” Marty Lyons spoke just as a point of clarification, “The 9 million dollars is not an interest cost, it is an unfunded liability. And a portion of that is interest that we pay on that, but it is unpaid liability that we own, it’s not an interest cost itself. The other part is that in the past two decades I would agree that it’s been very difficult to get up over that 7% mark, but one only needs to go to the 1980’s which is the decade before when one year investments were earning 12%. And at that point in time, the funds did not go and raise their interest rate assumptions to 12%, they kept them at that 7% – some of them did go up and do the incremental changes. But I’m not going to take away from what Mr. Schoolmaster said regarding what has happened more recently. It has been a long time since that had happened on the 7%. Just one other thing, most funds don’t give a projection of what they’ll earn. Just as you would see on Merrill Lynch or any other paper literature, past performance is not a guarantee of future success. So you usually won’t see either the fund or its advisors projecting that they’re going to earn 8% or 9%. It may be that the actuarial assumption is 7% or 7.25, but normally you won’t see a projection like that. Chairman Rainey asked the Assistant City Manager what his opinion is on an experience analysis and does he think it would be helpful to the City. Mr. Lyons feels, “An experience analysis will narrow the focus on exactly what’s happening in the city. I think that it will cause an increase in total funding because our experience is…” – Chairman Rainey asked, “You mean increase in the unfunded liability requiring increased funding?” Lyons confirmed and continued, “And I say that just because of the statutory provisions of the benefit. The benefit is different than others. When we have disability pensions, and we have those other pensions starting at age 50, that’s going to skew the data. When I say skew it, I don’t mean in a negative way. It is going to point the data to where it may need to be long term. Using these types of tables in the past up until recently you would see many downstate pension funds at 100% funding. But what does that mean? It was 100% funding using these same assumptions, so was it really 100% funded. What I think the City should want to see is stability year over year in the funding level. That it should be at a certain level, in this case it should be moved towards that 100% and that we’re able to keep it there. If we have problems keeping it there, there must be something going on with our assumptions.” The floor was then turned over to Ald. Burrus would like to have the consultants come and talk to the committee as well. She agrees with GRS’s assumptions but feels it always good to have a second, third opinion and for the whole Council to hear. Mr. Schoolmaster replied, “That is certainly possible but because of time constraint we had hoped we could’ve had all these issues hashed out so they wouldn’t be an issue now. We think most of them could probably be done in a meeting and let me just give you
an example on page B9 in the GRS report, they have the financing of the benefits and they say one, employee contributions and two, the tax levy. That’s it. Now I know they know in a well funded pension plan 75% - 80% of the benefits are paid by the investment return. That’s not our case here of course but that’s not even mentioned and for a new member of the council to look at this and say wait a minute we only have these two sources of money. We’re getting stuck for this huge thing. No - there’s another huge piece of it here that’s not there and I’m sure it’s just an oversight on their part. We ask them to look at this report to see if there’s any glaring errors and barring any glaring errors whatever you want to hear, we’ll do, it’s just that it costs more money and if there are no major issues. Both boards have to sign off, they have to certify to the council the amount to be levied. If there is a major disagreement, I guess we have to go to court and ask a judge to bar the city from using these figures. Based on what I’ve seen I don’t think that’s going to happen. I haven’t seen the final report. I think other than some little differences which might be a million here, a million there, which in the scheme of things is not a whole lot between friends, I think we’ll be okay. You tell me what you would like to do what will make you feel comfortable. The board would have to make that decision of course to spend those additional funds.” Chairman Rainey, “I think we’re looking at a 14 million dollar contribution from the tax levy for this coming year. So when our citizen groups get together and begin discussing, especially the general fund levy they’re already going to have their work done for them on one part of the levy, that’s for sure. I don’t see that the council would have any problem with your coming back. I agree with you. Having your advisors come, cost the pension fund money. So can you come back during the budgets period and give us a presentation?” Mr. Schoolmaster will ask for a price for a review and an analysis. Anything more would cost more. If he is satisfied and the board is satisfied with the review and analysis, he asked if Council would be satisfied as well. Chairman Rainey responded, “Yes, and you can come back and tell us.” Mr. Schoolmaster added that Fire is doing the same thing as well. Ald. Jean-Baptiste is not clear on the cost differential and wondered if the differential referenced the consultant’s hourly fees. Schoolmaster offered clarity, “It’ll be on a piece of paper that says “CONFIDENTIAL.” I think we can summarize what he says.” Ald. Jean-Baptiste would like a clear understanding whether or not Schoolmaster is able to share the consultant’s analysis. Schoolmaster stated that he will have to check with the consultant because it’s being done on the basis of it being a confidential analysis. Ald. Jean-Baptiste asked, “So costs is not the issue, it’s confidentiality.” Tim Schoolmaster said no, there will be a cost. Chairman Rainey stated that either Schoolmaster can share his report or not. Schoolmaster confirmed that they plan to share the report with council, the format remains uncertain. Chairman Rainey said, “That’s fine. That’s completely up to you. We just want all the information we can get.” Ald. Jean-Baptiste has a question, “He mentioned about this third source of revenue that Schroeder apparently didn’t address. Can we have representatives come and try to clarify that.” Alex Rivera replied to the Councilman, “As far as the funding policy, I think Tim focused on one section of the report, but the information as far as how the plan is financed that’s in the statutes as far as the normal costs and amortization. If it would be beneficial to the interested parties, we could include more clarification on the investment part of earnings of the funds. So we have no issue with that. But it is in the report but it’s
more stylistic. But it’s captured in the report. It may clarify the revenue sources. But we agree that a pension trust investment earnings are key to the financing of benefits. That’s the basis of a funding policy.” City Manager, Wally Bobkiewicz addressed Council, “Madam Chair, Members of the Committee, good evening. As you know as members of the City Council, the Council has chosen this item as a council goal. We do have a meeting scheduled next month to talk about the broader picture policy implications of where we want to go with both the police and fire pension. So my only thought here is that, while these actuarial numbers are important and the estimations and percentages are important, my sense from the full council is that you wanted to have a larger broader discussion of where we are going. So, that is scheduled. We, as your staff, are working now to prepare to talk about if there are additional options which we think that there probably are, that go beyond the actuarial assumptions. As the policy makers, you would have those options. So I just want to remind the committee that larger discussion is scheduled and your staff will be coming back with some options for you to chew on at that meeting next month.” Chairman Rainey feels that at that time there should be consultation with the police and fire pension groups to participate in that presentation. The City Manager replied, “And if they wish as we had heard that there is some additional review that will be going on we’ll try to under the terms they have contracted for that if they have that information that they be part of those discussions. I think it’s also important there’s a lot of talk still in Springfield regarding things. There are a couple of different bills under consideration in this veto session which we will know the answers to the beginning of next month. So I think while this information is very important from an actuarial standpoint, there is another policy discussion for the city council. We’ll just remind everyone that when that is scheduled and I think that those discussions will be very important.” Chairman Rainey wants to make sure the minimum pension requirements don’t go discounted because the City is legally required to accept them. The City Manager replied, “Ald. Rainey, members of the Committee, my sense from the full Council again is that perhaps you’d like to talk about alternatives above and beyond minimum.” Chairman Ald. Rainey, “Exactly but I was just talking about the minimum. We cannot discount these numbers. We’ve hired them to give us, to meet the letter of the law and that’s what they’ve done.” Mr. Bobkiewicz responded, “And as your City Manager I guess what I’m suggesting is that minimums may not be the course the Council wishes to go.” Chairman Rainey commented the minimum is 14 million and anything over that is kind of overwhelming for her. Mr. Bobkiewicz responded, “Again I think there are other venues and again the meeting that we have scheduled in November, this is a great starting point obviously. We need to start with a base level of information but clearly the full council has indicated this is one of your top priorities and your staff is going to respond with certainly other issues to talk about that we can make some greater headway on this.” Ald. Jean-Baptiste thanked the City Manager and asks the City and members of the Committee and Council where is the City going to get the money? Chairman Rainey asked the committee to recommend to council the acceptance of this report and ongoing further review. Ald. Fiske recommended approval to Council.

*Item A3.1 was unanimously approved 5-0*
Acceptance of 2008-09 Comprehensive Annual Financial Report

Recommend acceptance of the Comprehensive Annual Financial Report for FY2008-2009. Each year the City completes an independent review of the City’s financial status. This annual audit must be completed within 180 days of the close of the fiscal year. Our audit was completed this year in a timely manner in cooperation with our independent auditor, Baker Tilly Virchow Krause. The City is again applying for the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association. At the September 29, 2009 Administration and Public Works Committee meeting, this item was held for discussion.

The Assistant City Manager Martin Lyons introduced members from the City’s accounting firm Baker Tilly Virchow Krause: Tim Cole and David Farmer who will walk through items of issue on the financial report. Mr. Cole introduced himself and Mr. Farmer to the committee and reviewed three reports, the white cover report (financial statements) and two blue covered reports that require communications to management and the federal audit. The focal point was on the financial statements. Mr. Cole discussed the firm’s view of the City of Evanston and where the bulk of expense typically lies in a service-oriented organization such as Evanston. Mr. Farmer reviewed financial statements highlights; specifically page 17, pages 26 and 27 and pages 30 and 31 containing five bulleted points of financial highlights, a consolidated balance sheet, and a governmental funds balance sheet and income statement respectively. Chairman Rainey explained the shortness of time with more agenda items to cover, apologized, and asked for a review of Baker Tilly Virchow Krause’s opinion. Mr. Cole resumed the podium and focused on the blue cover report: “Communications from Auditor to Management and the City Council. He discussed risks management/material weaknesses, comments, future perspectives, and exception reporting. Chairman Rainey asked how credit card charges are audited referencing a comment about Council reviewing the bills list. Mr. Cole explained they work backwards, sampling, testing transactions, looking at financial statements. Mr. Cole reminded Council that they could request details on the charges if they like. Chairman Rainey thanked everyone for their presentations and asked committee to recommend to council the acceptance of this report. Ald. Holmes recommended acceptance and asked that the report be placed on file.

Item A3.2 was unanimously approved 5-0

Approval of Natural Gas Purchase for 2009 through 2010

Recommend approval to authorize the City Manager to sign a contract between the City of Evanston and one of the two following bulk natural gas providers: Centerpoint Energy Services or US Energy Services, based on proposed actionable pricing to be provided on October 12, 2009, for natural gas supply for twelve months beginning November 1, 2009, in an amount not to exceed $370,000. Funding provided by the applicable approved operating budget for each of the 14 affected facilities.

Chairman Rainey shared her understanding that the item was removed. The City did not get a price today because the price was so low. Marty Lyons, Assistant City Manager, affirmed the Chairman’s understanding is correct and added that it could be a contributing factor. Staff will work diligently because of that to bring it
back in two weeks.
*Item A3.3 was held 5-0*

**(A3.4)** Approval of Request by the Arthur Hill Company for 4-Hour Free Parking for Customers in the Maple Avenue Garage during the Construction of the Maple Avenue Streetscape from October 13th through November 25th

Recommend approval of a request by the Arthur Hill Company for free parking up to 4 hours a day for garage users from October 13th through Thanksgiving during the construction of the Maple Avenue Streetscape. The Parking Fund will recover lost revenue from this initiative through reimbursement by the Downtown II TIF. Vehicles parking longer than 4 hours would be charged full rates.

Ald. Burrus asked when does the free parking for the holidays kick in? Does that kick in after the day after Thanksgiving?” Chairman Rainey replied “Yes, the 26th.”

*Item A3.4 was unanimously approved 5-0*

**(A3.5)** Approval of Free Holiday Parking in Downtown Garages and Lot 60

Recommend approval of a request from the parking Committee to approve free holiday parking in the City’s three Downtown Self-Park Garages and Lot 60 located at 1234 Chicago Avenue on weekdays between 5p.m. and 12 midnight and all day Saturdays beginning Thursday, November 26 through Saturday, January 2, 2010.

The Chairman asked staff to ensure this is well publicized.

*Item A3.5 was unanimously approved 5-0*

**(A3.6)** Approval of a Contract for Structural Evaluation and Condition Assessment of Downtown Parking Garages (RFP 10-36)

Recommend approval of a contract for structural evaluation and condition assessment of downtown parking garages be awarded to Halvorson and Partners (600 West Chicago Avenue, Suite 650, Chicago, IL) for a total not-to-exceed of $52,250. Funding provided by the Parking Fund, with $20,000 budgeted from each of the three downtown garages: Church Street, Sherman Plaza, and Maple Avenue.

Chairman Rainey asked if this is the same company that did the Sherman Plaza Garage. Paul Schneider, City Engineer, replied yes. Chairman Rainey asked if anyone from the company was present, she would like to ask a few questions. She continued saying to staff that she is thrilled that the City is doing this and stressed the importance of not ending up with another Sherman Avenue Garage disaster. Craig Vespa, Senior Project Manager of Halvorson & Partners replied from the podium, no he isn’t, he works for Halvorson & Partners and is aware of the project. Chairman Ald. Rainey asked if that person was going to be the one to do this or will it be another person. Mr. Vespa replied, “No it is going to be Jim Swanson who was the principle in charge for that particular project and he will be involved in this as well.” Chairman Ald. Rainey replied “Well, involved is one thing, on the side or the specific person.” Mr. Vespa replied, “The other person that will be actually doing the day to day work, Jonathan Slaydek is the Project Engineer for this project and he will be doing the day to day work for this evaluation as well.” Ald. Rainey asked, “Did he do the Sherman Plaza Garage?”
Mr. Vespa replied, “He did work on the Sherman Plaza Garage. There was a team of engineers that did the Sherman Plaza Garage. And Jim Swanson was the principle, Jonathan Slaydek worked on it as well as the project engineer. Chairman Ald. Rainey asked Mr. Vespa if he had any relationship to any of the buildings surrounding the garage, like any of the condo buildings?” Mr. Vespa replied not to his knowledge, no. The Chairman continued, “And the information you generate will that be owned by us? Will we have the pictures to be able to share in the future with whoever does work on that garage, will it be easily accessible?” Mr. Vespa replied “Yes you will. The report will be handed over to the City of Evanston, correct.” Ald. Rainey asked if he saw any problem with the same people doing this as the Sherman Plaza garage. Mr. Vespa asked, “Doing the evaluation? No personally I do not. It’s an evaluation of that garage along with two other garages.” Ald. Rainey stated, “But it’s an evaluation of your own work.” Mr. Vespa replied, “It’s an evaluation of the condition of that garage not of the design work.” Ald. Rainey asked, “You don’t see any relationship between your work on that garage and the evaluation of the condition of that garage today.” Mr. Vespa replied, “No I do not.” Ald. Rainey remarked, “What if it was falling apart… I know it’s not. Not being a professional, I’m having trouble not seeing some kind of an issue.” Mr. Vespa assured Council, “I can assure you, if it were falling apart if there were any design defects or flaws, we would want to know them as much as you if not more so.” Ald. Rainey replied, “Oh I doubt that, I think we would be very concerned about that.” Ald. Rainey closed the question and answer with Mr. Vespa and asked if there was anybody else. Ald. Jean-Baptiste addressed Ald. Rainey and stated that City staff would be the main people interested in further independent review. Ald. Rainey responded that it is okay if she asked too. Ald. Jean-Baptiste agreed but clarified that the staff who managed the process, it would be good to get a perspective from them. Ald. Rainey remembered City staff managing the Sherman Avenue Garage that fell apart and supports the hiring of professionals to oversee and project future maintenance. Her concern is that the same people are going to be inspecting the work that did the work on the one garage. Paul Schneider explained to the Committee at Ald. Jean-Baptiste request, “Actually that was done in our Transportation Department. Ricky Voss and myself did talk about that to some extent. That’s why we brought the top three firms in to interview them. Coming out of the interview, actually Halvorson again ranked at the top of our list not just because of the price but also because of our interview process. It was something that we considered. We thought their work with structures including condo units was quite beneficial and something that we keyed on. We felt that overall we thought they gave us the best price and is the best firm in this case.” Ald. Rainey responded that she has no question that they’re the best firm, her issue was with their being the same people that initiated the work on the Sherman Plaza Garage.”

Item 3.6 was unanimously approved 5-0

(A3.7)*Approval of Lowest Responsible and Responsive Bid (10-58) for the Maple Avenue Self Park Lighting Upgrade Project
Recommend approval of the lowest responsible and responsive bid (10-58) for the lighting upgrade at the Maple Avenue Self Park from Hecker and Company Inc., (250 Industrial Lane, Wheeling, IL) in the amount $177,900.00. Funding for this Capital Improvement Project is provided by
the Downtown II TIF.
Item A3.7 was unanimously approved 5-0

(A3.8)*Approval to Purchase Cold Patch Material from a Single Source Supplier
Recommend approval of single source purchase of cold patch material from Healy Asphalt Company, LLC. (3401 S. Busse Road, Mount Prospect, IL) in the amount of $70,000. Funding provided by the Streets General Fund: $40,000 (FY09-10) and $30,000 (FY 10-11).
Ald. Rainey asked if the asphalt company on Oakton provided cold patches and what is the difference between cold patch and asphalt. Suzette Eggleston, Interim Director of Public Works, explained to the committee the difference and the behaviors of cold patching.
Item A3.8 was unanimously approved 5-0

(A3.9)*Approval of Contract for Vehicle Sticker Processing and Collections Administration (RFP 10-49)
Recommend approval of the contract in response to RFP #10-49 for processing of vehicle sticker applications and payments to Third Millennium Associates, Inc. (4200 Cantera Drive, Suite 105, Warrenville, IL) in the estimated amount of $121,966 over 3 years. Cost for year one is estimated at $45,000, with costs estimated for years two and three at $38,500. Funding provided by the General Fund Finance Collections Division. The budgeted amount for this service is $45,000 for the current fiscal year.
Ald. Burrus understands the process but would like to know how an Evanston business was not chosen. M. Lyons, Assistant City Manager, explained the City’s process of advertisements for the proposal (RFP). He explained that this is a somewhat specialized business. Third Millennium does other municipalities. They have gotten into the niche so they are familiar with the forms and the processes. The Assistant City Manager asked Committee if there is an issue with that, staff can also revisit at each annual renewal, rather than having it for automatic renewals. Ald. Burrus appreciates the Assistant City Manager’s idea. She would like the City to be more proactive in locating companies in Evanston to encourage them to apply to the RFP annually. She is interested in keeping the money in Evanston and employing Evanston residents. Ald. Rainey asked if anyone has ever inquired. M. Lyons responded not in the most recent request. Ald. Rainey asked how staff is doing with our local business directory. M. Lyons replied he will confer with the City’s M/W/EBE Coordinator.
Item A3.9 was unanimously approved 5-0

(A4.1)*Change Order for Duncan Solutions (Citation Management) Expenditure
Recommend approval of revised costs associated with Duncan Solutions (Citation Management) for parking citation cost and collections.
Chairman Rainey is hoping for a staff report because this agenda item is confusing and she is unable to reconcile this with the last year’s agreement. Ald. Jean-Baptiste has questions also. There is interest in continuing until next meeting. M. Lyons offered to walk through the original correspondence to try to equate the original approval to what staff is requesting tonight. Chairman Ald. Rainey opened the floor to the Assistant City Manager. M. Lyons asked the Committee to consider the time, and suggested holding the item until the next
council meeting, giving committee more time for discussion. Chairman Ald. Rainey would like to gain a complete understanding before supporting the increased payment. Mr. Lyons addressed Committee saying the City will not pay until the next council meeting. Ald. Fiske asked what are the charges incurred by a credit card user when they use their card for payment. She’s under the impression that the user is charged a certain percentage and asked staff for affirmation? M. Lyon, Assistant City Manager confirmed Ald. Fiske’s impression and further explained the instances when a credit card user can be or would be charged and when they are not. Internet and telephone payments yield the option of charging a convenience fee, in person, there is no charge for credit card use. Mr. Lyons concluded telling Ald. Fiske he would find documentation on the subject for clarity. Chairman Ald. Rainey confirmed that this item would be held.

*Item A4.1 was unanimously held 5-0*

(A5)* **Ordinance 90-O-09 Amending Title 10, Motor Vehicles and Traffic, Chapter 11, Traffic Schedules, Section 12 (A), (E) and (F): Schedule XII; Parking Meter Zones**
Consideration of proposed ordinance 90-O-09 regarding long-term parking by which Council would amend Title 10, Motor Vehicles and Traffic, Chapter 11, Traffic Schedules, Section 12 (A), (E) and (F): Schedule XII; Parking Meter Zones.

Ald. Holmes, from observation, is recommending parking meters for Lincoln Street between Ridge and Asbury. Chairman Ald. Rainey concurred.

*Item A5 was unanimously approved 5-0*

Consideration of proposed ordinance 97-O-09 amending the Evanston City Code of 1979, Title 3, “Business Regulations,” Chapter 5, “Liquor Control Regulations,” Section 6, “Classification and License Fees,” Subsection F, “Special One Day Licenses” to correct the text that mandates the time and day of the week liquor sale/service is permitted for Class F special one-day liquor licensed events.

*Item A6 was unanimously approved 5-0*

(A7)* **Ordinance 100-O-09 To Update Authorized Signatories and Financial Institutions**
Consideration of proposed ordinance 100-O-09 to update authorized staff signatories and financial institutions for the deposit/investment of City funds.

*Item A7 was unanimously approved 5-0*

IV. ITEMS FOR DISCUSSION

V. COMMUNICATIONS

VI. ADJOURNMENT, 7:18pm