

ROLL CALL - PRESENT:

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

A Quorum was present.

ABSENT: Alderman Wynne

PRESIDING: Mayor Lorraine H. Morton

A SPECIAL MEETING of the City Council was called to order by Mayor Morton on Monday, January 7, 2002 at 7:36 p.m. in the Council Chamber for the purpose of setting a schedule for budget meetings and process.

City Manager Roger Crum reported no change in the budget outlook; stated the budget must be adopted by the end of February and presented a proposed schedule of budget meetings beginning January 19 through February 25.

Alderman Feldman moved that Council convene as a committee of the whole. Seconded by Alderman Engelman. Motion carried. No nays.

After discussion among Aldermen Feldman, Rainey, Engelman, Jean-Baptiste and Mr. Crum, Alderman Feldman moved to have a staff presentation on revenue items January 19; presentation on the library, summer youth, police related issues Saturday, January 26; presentation on Fleetwood-Jourdain Theatre, Arts, CIP, and others Saturday, February 2; public hearing Monday, February 4; presentation on outside agencies, mental health, community purchased services, Evanston Community Media Center and emergency assistance Saturday, February 9; a final workshop on Saturday, February 16 and budget adoption Monday, February 25. Seconded by Alderman Engelman. Motion carried. No nays.

Mr. Crum stated an Executive Session would be needed on major claims and how that fits into the budget.

Alderman Newman asked Alderman Engelman about a list of ideas from the Budget Policy Committee meetings. Mr. Crum explained the Budget Committee would meet Wednesday to go over suggestions and produce a summary or consensus to the Council. Alderman Newman wished to hear about suggested revenue enhancements. Alderman Engelman noted there are 11 pages of suggestions, which he received that day.

Alderman Newman reported viewing a cable television program with a group of reporters, in which Evanston Community Media Center was lobbying against the proposed cut to their funding. One question was whether the City can charge for library cards. He asked if there is a law prohibiting charging or a limit on a charge for library cards? Another statement made was that police/fire, recreation and forestry were not being picked on, that cuts were aimed at the service side. He asked for a memo from the director of Parks/Forestry & Recreation on every cut in those budgets (Fleetwood-Jourdain Theatre is in the Parks Division). He pointed out there are significant cuts proposed in art grants and tree planting but the message on the show was that department was not being cut. He also asked for a memo from each division head with detail on specific cuts and how service will be affected.

Alderman Newman noted \$55-60,000 for replacement of the sledding hill at Leahy Park has not been used; asked

projected costs to repair/replace or if more funds are needed? He thought significantly more money would be needed.

Alderman Newman wanted a memo on litigation costs without the Northwestern and sewer lawsuits – an estimate without being “suit specific” on the amount of potential unfunded liability on outstanding lawsuits (vehicle chase and paddy wagon cases) the City faces.

Alderman Newman was concerned about the proposed increase in parking meter fines of \$400,000. He has gone over all fines with staff and believes there are alternative fines that could be raised for offenses such as parking too close to a fire hydrant or not having a city sticker, without raising the overtime fine from \$10 to \$20. He thought other fines could generate the \$400,000. The Parking Committee will offer an alternative prior to the February 9 meeting.

Alderman Newman asked for preliminary figures on a 0%, 1%, 2%, 3%, 4% salary increase to non-exempt employees and a response to Gerald Gordon’s questions about City reserves. Mr. Gordon understood General Fund reserves are \$14 million and he thought before this year they were about \$5 million. Mr. Crum stated the issue is between real cash and the modified accrual accounting system the City is required to use. Finance Director Bill Stafford explained one issue relates to the \$14 million fund balance; part of it is the city’s fiscal year ends at the end of February. The City is required by government accepted accounting principles to accrue any dollars that come in within 60 days of the end of the fiscal year. During that period the second tax bills (estimated), which are due March 1, come in. The City is required to “book” that money so the \$13-14 million in the fund balance contains money for the following year’s fiscal budget. Thus the fund balance is inflated and is on the books even though the City does not have the money. Even though part of the money is in, Mr. Stafford has to book the entire receivable. He noted property taxes bring in about \$25 million annually. Half of that is \$12 million, which he has to put on the books to be used for next year’s budget. In addition there are reserved and unreserved dollars. There is about \$5 million in unreserved dollars and more than \$5 million in reserved dollars. He noted they have reserves for recreation accounts, IMRF, library and contingencies for sick/vacation pay. A series of restricted funds are listed in the budget. He stated the \$5million in the General Fund is unrestricted and the city will have to cut into those reserves to make the budget this year. Mr. Crum stated an update on where the City is in real dollars would be given at the first Budget Workshop.

Gerald Gordon asked to speak; said on the financial statement for year ending February 28, 2000, there was \$10 million in cash and investments. If the amount of reserved and designated balance was subtracted from the cash on hand, there was still around \$7.5 million. He saw a discrepancy that he would like to discuss with staff. Since he will be meeting with Mr. Crum and Mr. Stafford, he wished to present his viewpoint again, because it has been contradicted and he did not see an opportunity for comment for other than topics listed. Alderman Newman stated citizen comment is not restricted. Alderman Engelman noted the public hearing is February 4 and comments can be made on any aspect of the budget. Mr. Gordon wished to speak at an earlier time. Alderman Newman suggested that citizens who have seriously engaged in budget study be able speak Saturday, January 19. Alderman Jean-Baptiste saw no restrictions on citizen comment. Mr. Gordon thanked Mr. Crum and Mr. Stafford for the opportunity to meet with them Wednesday.

Alderman Rainey pointed out in going through the budget that there are pages that show expenditures and revenues for various departments. She stated on page 151, Health Department, there are expenditures for 2001-02 of \$1.7 million and revenues \$937,000 related to those expenditures. She noted some people question why the City has an environmental health services program. When they look at the budget, the City receives grants that help finance those services. She asked to see a breakout of City services that are accompanied by significant revenues that help finance the service. She thought a listing of the more significant expenditures and associated revenues would be helpful. She asked about increasing patient fees, vendor fees, long-term care licensing fees, Skokie fees, tanning parlor fees and said the reason Evanston has some of these services, which other communities do not, is because grants are applied for.

Alderman Rainey stated they were told they will “overhire” two firefighters in the Fire Department. She could not find evidence of an increase in FTE positions and asked where they are budgeted? Mr. Crum responded that they assigned the money for them but did not increase the total allotment for full-time positions because they were not continuous full-time positions. A memo will be written to clarify how that is handled in the budget. She asked where the money is in the Fire Department budget? Management & Budget Director Patrick Casey referred to page 147. She did not think the figures worked out.

Alderman Rainey asked that each alderman's questions that are answered by staff be provided to all aldermen. She said there are many people in the community who have spent a great deal of time on this budget and asked if people who serve on committees are provided feedback and material generated from discussions? Mr. Crum stated the purpose of the Wednesday night meeting is to provide feedback in detail. She suggested that was like giving Council information the night of the meeting and that people need material to read so they can be prepared to critique when they meet again; urged staff to send material out before the Wednesday meeting.

Alderman Rainey reported sending an email to all City employees asking for ideas on the budget. She had a small response but those who responded were helpful. One woman said she was grateful for her City job and would give a day's pay to the taxpayers and hoped other employees would do the same. Alderman Rainey asked what is the City's daily payroll? She was given reasons why that cannot be done and is waiting for a written response regarding the amount of daily payroll if every employee gave a day of work. Another employee wrote that he had a job years ago where he had protective gear that he had to buy but no longer has that job. He was given a voucher for \$100 for the protective gear and every year since this employee still receives the voucher for \$100. That employee thinks the taxpayers could use that money and suspects he is not the only employee receiving vouchers for items no longer needed. She asked how much money is paid to employees for protective gear and clothing; recalled in the past that the A&PW Committee received information on bids for uniforms and could not remember receiving information about competitive bidding on uniforms/work clothes. Somebody told her in the Police Department there is an amount given annually for a weapon. She did not think the officers shoot their guns much and therefore do not wear them out; asked if a weapons allowance is given, why and how much is it? Alderman Rainey asked employees with ideas to come forth.

Alderman Newman asked Mr. Crum to obtain proposed budget cuts from District 65. He said this is the wrong year for the District to be asked to fund crossing guards and the right year is 2009 when TIF monies come in. To pay the \$144,000, the District would have to raise taxes or cut a program. He said there is talk of eliminating all day kindergarten, which would be worse for the community than anything on the City's agenda. He felt the Council needed to be aware of cuts at District 65. District 202 has a greater reserve and the City will ask for a contribution on one security officer. He suggested the City needs to know the reserve at District 202. He noted District 65 has used reserves to pay recurring expenses, a mistake made by many school districts in recent years to keep salaries up. He wanted Council to have a full understanding of what is happening at the school districts.

Mayor Morton stated that District 65 is not in a position to say what the cuts will be in their budget. Alderman Newman saw a list in the *Evanston RoundTable* and asked for whatever information District 65 has.

Alderman Jean-Baptiste recalled some City jobs were proposed for elimination and people received notice. He thought Council made it clear that staff should wait for Council to speak on that. He understood in some instances that staff had terminated individuals or placed them on leave. He asked for clarification on those situations and why action was taken?

Alderman Bernstein recalled a request for a \$3.5 million financial software package and at the time staff indicated those funds were available. He asked where those funds are?

Alderman Rainey asked for the status of Facilities Management's discussion with ECMC about moving to the former recycling center and implications of that move in terms of the proposed cut to ECMC. She asked for the number of calls for animal control services. Her concern about that cut was in dealing with the problems of uncivilized behavior of owners of dangerous dogs, such as dog killings/fights; thought there were calls to the police desk and the animal shelter.

Alderman Kent commented that it depends on how these complaints are marked and did not think they were marked so they could get statistics indicating the number of these incidents. He thought there was more happening in the community than they know about. He had asked the police Department about dogfights.

Alderman Rainey stated the problem with the current system is that nobody knows that Alderman Kent asked that question nor the response and asked why they cannot all be kept informed? Alderman Kent said he did not make an aldermanic request, but simply called the Police Department.

Alderman Newman thought that staff took the position that if one animal control officer was eliminated that private agencies would have to be called. He asked what those calls would be for and charges people would pay? He was talking about dead animals, squirrels, birds, creatures in alleys and helping people deal with skunks.

Alderman Feldman has heard that elderly people who want an animal trap have to get it and return it. Some don't have cars. It would be difficult if they privatized some things and he was interested in those policies.

Alderman Feldman asked the Recreation Division whether camp fees to nonresidents could be raised and how high and the number of Evanston residents and nonresidents who use camps. They have been told fees cannot be raised and remain competitive. He has received calls from residents who found it difficult to enroll in certain camps and classes.

Alderman Rainey recalled several years ago animal control used an outside service to trap or pick up animals (no dogs or cats). She's seen no feedback on how that worked and asked if it is still used. A constituent called because a squirrel was in her house and she had called for a trap. She was told there were no traps because they were rented to Wilmette residents. She asked for information on traps used in other communities and the agreement with the private company.

Alderman Jean-Baptiste recollected the Budget Policy Committee had a dialogue with the non-profit sector early in the budget process. He asked Alderman Engelman about suggestions that were made, whether any had volunteered to pay for services and of the value the City got from that discussion.

Alderman Engelman stated there was value to that meeting, which involved long-term and short-term issues. That meeting won't solve this year's budget problems but hopefully may help next year. He said there was a dialogue and to continue, his and Mayor Morton's intent was to appoint a special committee to specifically address coordinating hospital services with the City's Health Department to find ways to privatize some services. He stated that Alderman Rainey raised a significant issue about the amount of money the City receives from other agencies that helps Evanston fund health services, which makes this more difficult and was a factor in why there is nothing for this year's budget. Mr. Crum stated a written response would be provided. There is no cash this year, some opportunities for the future but it will take effort to make them work. He noted hospitals talk in different terms than the City about monetary issues.

Alderman Newman asked for a memo that compares the number of officers in youth/victim services in Evanston with communities to the north, northwest and west. He wanted to know the size of youth/victim services per capita versus other communities. He asked for an answer on not giving a 4% increase to non-union employees. A number will be provided to him by Friday.

Alderman Feldman, in reference to the dialogue with non-profit institutions, recalled CEOs wanting to be part of the solution and had expressed interest in contributing to the fiscal health of Evanston. He noted that was nine months ago and nothing has come of it and did not think anything meaningful would. He said this will be passed over until another crisis comes and these organizations feel threatened. The idea of accepting responsibility for this community has not yet been accepted by the non-profit community. He said if it had, there would be something now because now is the crunch time. They see the bleeding here; social service agencies with potential cuts and people losing jobs but there is zero from the institutions who had said they wanted to make it happen. He said "shame on them." They talked as if they were going to find a way. If somebody wants to do something they do it. He said a lot of attention should be given to this issue. He did not know what they could do, but it seemed they could find something in this time of need. The City should have something meaningful from the large non-profit institutions here.

Alderman Kent asked to better understand use of seasonal employees by department, the cost, what is accomplished with them and if there is any unused money?

Alderman Rainey again asked for a yearly total of police/fire calls made to all Northwestern University owned properties. She heard that NU's response to the City's request to dismiss the lawsuit was available and asked for a copy.

Alderman Jean-Baptiste asked for clarification on the proposed elimination of Fleetwood-Jourdain Theatre. Were they

proposing not to continue renting space outside of City-owned property or eliminating the entire budget? What would it would cost to upgrade the facilities at Fleetwood-Jourdain and continue to staff the program? He asked where most of the jobs come from in the summer youth job program? Has the City looked into generating a similar number of jobs through the private sector with a staff person throughout the year working to generate these jobs? He understood the City absorbs a number of youth workers in the summer. Alderman Kent asked that information on ages involved be included because of hiring 14- 15-year olds who legally cannot work, is a service not available in the private sector.

Alderman Newman noted the Fleetwood-Jourdain Theatre is in the Family Focus building. He understood part of the theater budget is rent paid to Family Focus of between \$45-50,000 annually and asked staff to document who paid for the theater improvements in the building where the City pays rent. He asked the amount of money invested from CD funds for the last 20 years in the Family Focus building? The reason for asking is that he has voted for the theater every year that he has been on Council and admires programs there. He has always questioned paying rent to Family Focus when the City repaired stairs, made the building accessible to disabled with CD funds and actually built the theater - he thought it was a double payment. He wants to clear that up. He believed they have spent hundreds of thousands on the Family Focus building and has voted for it. He does not understand after making repairs that the City is charged rent. He found the budget hard to follow, noting the proposed cut of \$161,000 to Fleetwood-Jourdain Theatre is on one page and on another page revenue of \$31,000, so the net cut is \$130,000. He learned in this budget that revenues from the dental clinic have increased greatly over the past few years. Staff has made progress and that ought to be maintained.

Alderman Newman referred to the manager's message of \$250,000 on closure of branch libraries and asked the net savings? He stated that Council needs to know net figures on all cuts and asked for an explanation to the community. Mr. Crum stated the savings would not be \$250,000 the first year. Alderman Newman said if changes have been made in departments, that needs to be identified. He noted they had not received the Capital Improvements Program budget and asked why? Mr. Crum stated the CIP budget would be available as soon as possible. Staff has concentrated on the main budget and were directed to put together a \$6 million CIP. The question is do they wish to cut that down? Alderman Newman thought at the Budget Committee they had a long list of \$270 million for capital needs and if they cut that down the City's buildings would run down. By cutting it down it decreases the ability to spread those costs over time. He thought the Budget Committee would come up with a figure on CIP. If they cut CIP, they defer maintenance of City property and don't come out ahead. He suggested they have been falling behind in the 1990s. He asked how that decision is being made? Mr. Crum stated staff will present a \$6 million CIP but Council may wish to cut that.

There being no further business to come before Council, Mayor Morton asked for a motion to adjourn. The Council so moved at 9:03 p.m.

Mary P. Morris,
City Clerk

A videotape recording of this meeting has been made part of the permanent record and is available in the City Clerk's office.