

ROLL CALL - PRESENT:

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

A Quorum was present.

NOT PRESENT AT ROLL CALL:

Aldermen Kent, Wynne, Engelman

ABSENT:

None

PRESIDING:

Mayor Lorraine H. Morton

The OFFICIAL REGULAR MEETING of the City Council was called to order by Mayor Morton Monday, February 25, 2002 at 6:07 p.m. in the Aldermanic Library. Alderman Feldman moved that Council convene into Closed Session for the purpose of discussing matters related to litigation, personnel and closed session minutes pursuant to 5ILCS Section 120/2 (c) (2) (11) and (21). Seconded by Alderman Jean-Baptiste.

(2) Collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees.

(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.

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

At 7:15 p.m. Alderman Jean-Baptiste moved to reconvene into Open Session. Seconded by Alderman Bernstein. Motion carried. No nays. Council then recessed so that aldermen could attend the standing committee meetings.

Mayor Morton reconvened the City Council at 9:02 p.m. in the City Council Chamber.

Announcements:

City Clerk Mary Morris announced that persons who will be absent from Cook County or engaged in official election duties on March 19, the Primary Election, could vote absentee in person in the City Clerk’s office now through March 18, Monday - Friday from 9:00 a.m. to 5:00 p.m. and Saturday mornings, March 2, 9 and 16, from 9:00 a.m. to noon. Voters who work in the loop can vote absentee at the Cook County Clerk’s Office at 69 West Washington during this period. People with questions can call the City Clerk at 847-866-2925.

Communications: None

CITIZEN COMMENT:

Lou Silverstein, Leonard Pl., recalled the referendum in which citizens voted that City Council enter into discussions with Northwestern University with the goal that NU make a fair share monetary contribution to the Evanston community, of which it is an integral and valued part, for services rendered by the City to the University. He stated the result of this mandate was nothing but excuses and evasions. What they get from Northwestern is arrogance and indifference that one would hope would not be associated with an institution that purports to deal with higher education. Whether shouldering its responsibilities to the community or not bothering to include the student body in the decision to fill a portion of the lagoon, the administration of Northwestern can only be described as contemptuous of the democratic process. He said where they are now is to raise taxes and fees making it difficult for citizens of lesser means, especially the elderly and families with children, to continue living here. He asked President Beinen and Vice President Sunshine what they are teaching students who come for guidance and education? He stated the deference of the City Council to Northwestern was more appropriate for a banana republic than a city that prides itself on all of its members working together for the common good. He urged Evanstonians to stand up and be counted.

David Johnson, Wesley Ave., strongly protested the proposed 7% plus property tax increase in the City's share which, when added to a 39% increase in his tax assessment, means that 7% becomes a 10% increase. He noted the City Council had accepted emotional appeals over proposed budget reductions and ignored that 82% of the voters asked them to seek a fair share from NU. He predicted the same shortfall and program reductions would await them next year without a fair share from NU. He stated this year's tax assessment increases are ridiculous and like a big sign that says, "move out of Evanston." He said this is relevant to a different group of people than those who worry that a head tax would interfere with business and future population. He urged them to work for people who live here now. He filed an appeal on his property tax assessment and it was based on comparison with other assessments. It implied that home value is based on number of bathrooms and fireplaces when, in fact, they are valued by neighboring home sale prices. His taxes are up because a neighbor's home sold twice in three years after 17 years as home to a stable family. Evanston financial problems are not based on social programs but on the fact that NU does not pay its fair share. He suggested Mayor Morton veto this budget.

Mike Rothschild, Payne St., recalled last year prior to Aldermanic elections that citizens were presented a small property tax increase with much made of it in contested elections. All knew this day would come, when tax increases buy nothing but covering a deficit with cuts to programs and services. People accept the fact that it costs more to live here. He stated this burden must apply equally to large institutions. He stated Fair Share is not going away and will be the collective memory of the Council's persistence in protecting NU from the realities faced by Harvard, MIT, Yale, etc.

Mimi Peterson, Ashland Ave., admonished Council; said it was ridiculous that property taxes will go up 8%; her family of three young children experience vanishing disposable income with every tax increase. She is trying to pay \$800 so her children can attend Aquatics Camp, Eco Class, etc. She said at some point the benefits of living here are being outweighed. She stated they could not afford another property tax increase and asked what citizens were getting for the increase? What will they do next year when they have not addressed what is wrong with this budget? She pointed out they have left on the table over \$600,000 in expenditures subsidized by taxpayers for fire and 911 emergency services to NU. She participated in the Budget Committee meetings and noted property tax increases were low on priorities. Programs should not have to be cut and Council should have the courage to charge for services received. She stated the Fair Share Action Committee would continue to remind residents of what Council is doing to them.

Roberta Hudson, 1941 Dewey Ave., reported she had talked to many residents who are concerned about the proposed 7.2% tax increase. There was a rally downtown and she saw support from citizens telling them to fight against the high tax. She stated it was ludicrous that taxpayers who have paid so much in past years will have to continue to do this because of the lack of responsible government. She suggested the City's operations should be overhauled with a feasibility study, alleging a lot of fat. She noted there are several new positions administration wishes to bring on board yet others are let go, which was not fair. She said it looked like nobody was looking to cut waste. From talking to residents and Foster Park Neighbors, she said many homeowners are having a hard time and homes are up for tax sales. One alderman suggested a head tax, yet many did not wish to tax businesses. She suggested the Mayor veto the budget.

John Zbesko, Noyes St., spoke against the proposed property tax increase. He stated that Evanston is a civic-minded place; many expressed their opinions as to what they want and there had been much comment from people wishing to protect their programs. What they don't have is somebody who speaks for the entire community. All have to pay property taxes, even though they don't participate in theater, library branches or anything else. He hoped the Council could think more of the good of all Evanston and say "no" to some of the programs that are being funded. He acknowledged they are all worthy or they would not have been funded in the first place but if there is not enough money, he hoped the priorities would be to pave roads, pick up garbage and other things that are necessary to live here.

Betty Ester, 2100 Lake St., said the decision they make would not please all recalling the 1930 Ridge Avenue development; changing the zoning on the District 65 administration building; keeping police officers in elementary schools, branch libraries and the Summer Youth Employment Program from the cutting table. Four TIFs are holding tax money that could be used to balance the budget. She asked why not cut excessive staff in the city manager's office; why move the Emergency Assistance program yet keep staff for it in the budget and why not cut administrative costs in each department. She was happy they have a democratic process and thanked them for serving the City.

Howard M. Levin, 1231 Grant St., commented that discussion about the budget was fractured with pieces and something was absent. Abner Mikva answered a letter in the *Evanston Review* in which he indicated he would be happy to be a mediator between Northwestern University and the City. Mr. Levin asked if anyone on Council had approached Abner Mikva, who is in a major mediation office in Chicago and willing to participate, to solve some of these problems. He noted that citizens were asked to tell the City what to cut but did not think that was a way to do the budget. \$4 million was needed. He did not think they could get \$4 million by cutting pieces; suggested they would get it by some other process. He said NU was almost out of focus and they were not supposed to talk about NU. They speak about penalizing Evanston citizens but not approaching the real budget problem. He recommended that somebody from the official body invite Abner Mikva, who was a congressman and presidential adviser, and is neutral and knows Evanston. Then somebody has to go to NU and ask that he be invited.

Rev. Robert Richardson, 1835 Brown Ave., supported the rally protesting the proposed tax increase. He is bothered when he hears the community crying for relief and asked Council how they spell relief? He noted when they ran for offices they made promises to people and he asked if they were going to listen to people who are suffering, asking for relief and not getting it. People are getting more burdens and when more burdens are put on those already struggling, in the 5th Ward, they find more people are losing their homes because they cannot pay the taxes. Senior citizens who have worked for years to pay for their homes have to get a mortgage to pay increased property taxes. He wanted Council to hear the people.

Ann C. Dienner, 1034 Sheridan Rd., noticed that the head of the Visitors & Convention Bureau here is moving to the Northbrook Chamber of Commerce. The City gave the bureau from \$35-50,000 annually and it was a "make work" project. She suggested it be folded into Evmark or the Chamber of Commerce and save a little money. She suggested they were making a mistake to nickel and dime people on the parking meters and to keep the end at 6:00 p.m. Keep parking available to people who come to the theater, shop, or go to a restaurant. She urged them to not drive people away by doing "petty" things. She stated the increase in the property tax was bad and not fair. She agreed that Abner Mikva, as mediator between the City and NU, was a superb idea.

Madelyn Dupre, Foster St., asked Council not to raise property taxes or other taxes because it would be another hardship for many residents. For the record, she said it wrong for some police officers to harass their children and their livelihood here and this would be followed up on at a later date.

Judith Treadway, 612 Mulford St., did not want a property tax increase and said voters elected Council to represent them in their best interest and to make sure residents can remain here. She said the wealth of information they and the city manager have is tremendous. Many citizens spend hours trying to understand what they do daily and difficult to convince them not to do some things. Citizens know Council has to make tough decisions. Council needs to show that they value what residents value. Right now she alleged that citizens do not feel valued but businesses are. She sees an unhealthy relationship developing -- a pitting between progress in business development and tax increases on residents. She said when the head tax was proposed it was unfair not to give it more deliberation. She believed a municipal tax should be

considered, which would impact everyone and be fair. She suggested they not pit Fair Share against the head tax or a municipal tax, but find ways to fund services citizens are receiving. She asked if Evanston was going to be a city of businesses or of residents?

CONSENT AGENDA (Any item marked with an Asterisk*)

Alderman Feldman moved Council approval of the Consent Agenda with these exceptions: Ordinance 15-O-02 – Amending Building Fees, Ordinance 6-O-02 – Revised Parking Fines, Plat of Subdivision: Former Mayfair right-of-way, Ordinance 88-O-01 – Zoning Ordinance Text Amendment: Required Parking/Multi-family Residential, Ordinance 14-O-02 – Amendment to Type 1 Street Regulations, Special Use for 339 Howard St. (Type 2 Restaurant: Subway) and Ordinance 9-O-02 - Designation as Type 1 Street. Seconded by Alderman Rainey. Roll call. Voting aye –Bernstein, Kent, Moran, Engelman, Rainey, Feldman, Newman, Jean-Baptiste, Wynne. Voting nay – none. Motion carried (9-0).

*** ITEMS APPROVED ON CONSENT AGENDA**

MINUTES:

* Approval of Minutes of the Regular City Council Meeting of February 11, 2002 and Special City Council Meetings of January 26, 2002 and February 2, 2002. * APPROVED - CONSENT AGENDA MOTION AND ROLL CALL (9-0)

ADMINISTRATION & PUBLIC WORKS:

* Approval, as recommended, of the City of Evanston payroll for the period ending February 14, 2002 and the City of Evanston bills for the period ending February 26, 2002 and that they be authorized and charged to the proper accounts, summarized as follows:

City of Evanston payroll (through 02/14/02)	\$1,751,953.54
City of Evanston bills (through 02/26/02)	\$1,777,696.06

* APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

* Approval of the lowest responsive and responsible bid of Keno & Sons Construction Co. for the installation of four effluent “butterfly” valves for settling basins at the Water Treatment Facility at a cost of \$42,000. Funding source is Water Depreciation, Improvement & Extension Fund. * APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

* Approval of the proposal of FM Global to provide property insurance for all City properties at a cost of \$243,262. * APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

* Approval of the proposal of Specialty National Insurance Co. and C&F Specialty Insurance Co. to provide excess liability insurance to the City of Evanston at a cost of \$170,250. * APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)



* Resolution 3-R-02 – Participation in Regional Grant Program – Consideration of proposed Resolution 3-R-0-2, which authorizes the City to participate in a regional grant program for construction of a Compressed Natural Gas (CNG) Fueling Facility at the Municipal Service Center. * APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

* Resolution 4-R-02 – Agreement with Northwestern University and the Village of Skokie – Consideration of proposed Resolution 4-R-02, which authorizes the City Manager to execute an agreement with Northwestern University and the Village of Skokie to provide for the joint and cooperation establishment and operation of a regional alternatives fuel authority (EVNORSKO) and construction and operation of a Clean Burning CNG Facility. * APPROVED – CONSENT AGENDA

MOTION AND ROLL CALL (9-0)

* Resolution 5-R-02 – Intergovernmental Grant Agreement between City of Chicago and City of Evanston – Consideration of proposed Resolution 5-R-02, which authorizes the City Manager to execute an intergovernmental agreement between the City of Chicago, by and through its Department of Environment, and the City of Evanston. * APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

* Resolution 6-R-02 – License Agreement with EVNORSKO – Consideration of proposed Resolution 6-R-02, which authorizes the City Manager to execute a license agreement with EVNORSKO for use of a certain portion of land at 2020 Asbury Ave. for a CNG Fueling Station. * APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

* Resolution 14-R-02 – License Agreement with Optima Inc. – Consideration of proposed Resolution 14-R-02, which authorizes the City Manager to sign a license/lease agreement with Optima Inc. to occupy space behind the Maple Ave. Garage for storage during construction. * APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

* Resolution 13-R-02 – Release of Easement – Consideration of proposed Resolution 13-R-02, which authorizes the City Manager to execute all documents required to release a private alley easement required in 1926 by the ZBA to benefit the property at 1616 Chicago Ave. * APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

* Ordinance 16-O-02 – Declaring City Property as Surplus – Consideration of proposed Ordinance 16-O-02, which declares various items as surplus so that the vehicle and other equipment can be publicly offered for sale at the April 6, 2002 Village of Fox Lake auction. * MARKED INTRODUCED – CONSENT AGENDA

* Ordinance 10-O-02 – Special Assessment #1447 – Consideration of proposed Ordinance 10-O-02, which approves Special Assessment #1447 for alley paving north of Harrison St., east of Poplar Ave. through the Special Assessment Process. * MARKED INTRODUCED – CONSENT AGENDA

* Ordinance 11-O-02 – Special Assessment #1448 – Consideration of proposed Ordinance 11-O-02, which approves Special Assessment #1448 for alley paving north of Payne St., east of Dewey Ave. through the Special Assessment Process. * MARKED INTRODUCED – CONSENT AGENDA

* Ordinance 5-O-02 – Decrease in Class O Liquor Licenses – Consideration of proposed Ordinance 5-O-02, introduced February 11, 2002, which amends Section 3-5-6(O) of the City Code to decrease the number of Class O liquor licenses from 5 to 4 with the closing of Safeway Inc., dba Dominick's Finer Foods, 525 Chicago Ave. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

* Ordinance 7-O-02 – Expansion of Residential Parking Only District – Consideration of proposed Ordinance 7-O-02, introduced February 11, 2002, which amends Section 10-11-18, Schedule XVIII of the City Code to expand Resident-Only Parking District 14 to include the 2000 block of Wesley Ave. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

* Ordinance 8-O-02 – Expansion of Two-Hour Limited Parking and the Resident-Exempt Parking District – Consideration of proposed Ordinance 8-O-02, introduced February 11, 2002, which amends Section 10-11-10, Schedule X of the City Code to add two-hour limited parking in the 1700 block of Wesley Avenue (west side) and adding that area of Wesley Avenue to Resident-Exempt Parking District M. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

HUMAN SERVICES:

* Approval of Township Bills – Consideration of a recommendation to approve the Township bills, payroll and medical payments for the month of December 2001 in the amount of \$72,366.40. *
APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

* Approval of Township Bills – Consideration of a recommendation to approve the Township bills, payroll and medical payments for the month of January 2002 in the amount of \$76,001.72. *
APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

APPOINTMENTS:

Mayor Morton asked for introduction of the following appointments:

Theodore E. Gantos, II 1321 Ashland Ave.	Energy Commission
Joann Teagan 429½ Custer Ave.	M/W/EBE Development Committee
Les Jacobs 319 Kedzie St.	Public Art Committee

Mayor Morton asked for confirmation of the following appointments:

Howard Solotroff 1109 Hinman Ave. For term ending March 1, 2005	Arts Council
Francis Baumgart 1317½ Oak St. For term ending March 1, 2005	Housing Commission
Sharon Y. Bowie 1907 Dodge Ave. For term ending March 1, 2005	Plan Commission
Mark Sloane 1415 Lincoln St. For term ending March 1, 2007	Playground & Recreation Board

Mayor Morton asked for confirmation of the following reappointments:

Nancy H. Segal 404 Greenwood St. For term ending March 1, 2005	Civil Service Commission
John Macsai 1501 Hinman Ave. For term ending March 1, 2005	Sign Review & Appeals Board

* APPROVED – CONSENT AGENDA

REPORT OF THE STANDING COMMITTEES

ADMINISTRATION & PUBLIC WORKS:

Ordinance 15-O-02 – Amending the Building Fee Ordinance – Consideration of proposed Ordinance 15-O-02, which amends Ordinance 46-O-99, Section IB, to modify the base building permit fee from \$11/\$1,000 worth of work value to \$12/\$1,000 worth of work value exceeding the first \$20,000 of work value.

Alderman Rainey moved introduction. Seconded by Alderman Feldman.

Alderman Rainey moved to suspend the rules in order that an item introduced that evening could be voted on the evening that it is introduced. Seconded by Alderman Feldman. Motion carried. No nays.

Alderman Rainey moved approval. Seconded by Alderman Feldman.

Roll call. Voting aye –Bernstein, Kent, Moran, Engelman, Rainey, Feldman, Newman, Jean-Baptiste, Wynne. Voting nay – none. Motion carried (9-0).

Ordinance 6-O-02 – Revised Parking Fines – Consideration of proposed Ordinance 6-O-02, introduced February 11, 2002, which amends Section 10-11-17, Schedule XVII of the City Code to increase certain parking fines.

Alderman Rainey moved approval. Seconded by Alderman Feldman.

Roll call. Voting aye –Bernstein, Kent, Engelman, Rainey, Feldman, Newman, Jean-Baptiste, Wynne. Voting nay – Moran. Motion carried (8-1).

PLANNING & DEVELOPMENT:

Plat of Subdivision: Former Mayfair Right-of-Way – Consideration of a recommendation of the Site Plan & Appearance Review Committee to grant a plat of subdivision for the former Mayfair right-of-way between Foster and Emerson streets.

Alderman Kent reported concern by neighbors and the P&D Committee about this property. They heard from the owner's attorney, who guaranteed building permit fees would be paid. The Community Development Director was directed to enforce codes that were violated and documented and to provide a phone number where neighbors can reach an inspector to strengthen enforcement. The committee voted 4-1 to approve. Alderman Kent moved approval. Seconded by Alderman Bernstein.

Roll call. Voting aye –Bernstein, Moran, Engelman, Rainey, Feldman, Newman, Jean-Baptiste, Wynne. Voting nay – Kent. Motion carried (8-1).

Ordinance 88-O-01 – Zoning Ordinance Text Amendment: Required Parking/Multi-family Residential – Consideration of proposed Ordinance 88-O-01, which approves a recommendation of the Plan Commission to amend the Zoning Ordinance regarding required parking for multi-family residential uses.

Alderman Kent reported that this item was held in committee due to lack of time.

Ordinance 14-O-02 – Amendment to Type 1 Street Regulations – Consideration of proposed Ordinance 14-O-02, which extends by one year the sunset provision on Title 4, Chapter 19 of the City Code, regulating Type 1 Streets along which fences may be placed along street lot lines.

Alderman Kent reported that this item was amended in committee and asked that it be marked introduced. Seconded by Alderman Bernstein.

Ordinance 13-O-02 – Special Use for 339 Howard St. (Type 2 Restaurant: Subway) – Consideration of proposed Ordinance 13-O-02, which approves a recommendation of the ZBA to grant a special use permit for a Subway restaurant at 339 Howard St.

Alderman Kent reported that this item was held in committee.

Ordinance 9-O-02 – Designation as Type 1 Street – Consideration of proposed Ordinance 9-O-02, introduced February 11, 2002, which designates Dewey Avenue from Simpson Street north to Twiggs Park as a Type 1 Street allowing front-yard fences.

Alderman Kent moved approval. Seconded by Alderman Wynne.

Roll call. Voting aye –Bernstein, Kent, Moran, Rainey, Feldman, Newman, Jean-Baptiste, Wynne. Voting nay – Engelman. Motion carried (8-1).

APPOINTMENTS:

Marvin D. Juliar	Preservation Commission
425 Grove St.	
For term ending March 1, 2005	

Alderman Newman moved to hold this appointment. Seconded by Alderman Feldman. At the request of two aldermen this item was held.

SPECIAL ORDER OF BUSINESS

Resolution 11-R-02 – Proposed FY 2002-2003 Budget – Consideration of proposed Resolution 11-R-02, the proposed budget for the City of Evanston for the Fiscal Year 2002-2003.

Alderman Feldman moved approval of the budget submitted by the City Manager. Seconded by Alderman Bernstein. Alderman Feldman called attention to the white paper sponsored by Aldermen Newman, Wynne and himself, which was held over from the February 18 budget meeting with these amendments: under income, add revenue generated by Fleetwood-Jourdain \$20,000 and revised parking ticket estimates \$40,000. On the other side, restore full funding to Fleetwood-Jourdain/Children's Theater and restore Ecology Center staff \$29,000. With those changes the budget was balanced. Mayor Morton asked if that meant a 7.2% property tax increase? Yes, it represents 1.23% of the tax bill.

Alderman Rainey noted citizens have urged the City to go after more grants. Council received news in their packets that a grant of \$400,000 was received for a project budgeted in the upcoming Capital Improvement Plan for \$826,000, so the City has \$400,000. Her concern was that staff recommended money be spent on other programs. She moved an amendment to reduce the capital expenditure by \$400,000, reducing the increase in debt service from 9.34% to 4.22%. Alderman Engelman supported the concept of relying upon the property tax but thought the grant was to make certain park improvements and should not be spent on other programs; did not think it was a straight \$400,000 reduction. He suggested it would be only a \$40,000 reduction unless they were planning on selling bonds. What Alderman Rainey was suggesting was that the City sell bonds worth \$400,000, which will be paid off over 20-years to pay operating expenses. She said the memo makes it appear they could reduce expenditures by \$400,000. Alderman Engelman explained they end up with a \$40,000 reduction in the debt service. Alderman Rainey stated the City received \$400,000 in cash, which is equivalent to \$4 million in paying for debt service. Mr. Crum stated this was money they would not have to go into debt for, so they would have had to pay \$40,000 annually in debt service for 20 years for the \$400,000. She asked if there was any money on the white paper the City has not yet bonded for? Alderman Rainey moved to reduce the debt service in the proposed capital budget by \$40,000. Seconded by Alderman Engelman. (Alderman Engelman clarified the proposed capital budget would be reduced by \$400,000 and debt service reduced by \$40,000.)

Alderman Newman opposed the motion citing more than \$200 million in projects to maintain the City's infrastructure.

Staff has recommended using \$150,000 of the \$400,000 to upgrade street lighting. He noted street lighting is five years obsolete. For \$40,000, they are losing the opportunity to address real needs of the City and he supported staff's recommendation. He said \$3 million is needed to upgrade street lighting and every amount they take out of the capital budget is another year people have to wait for improved lighting. He suggested taking the \$400,000 and applying it to streets would be better than this motion. He said the mistake was made in the early 1990s when not enough was spent on capital needs. He asked if the \$1.6 million has been spent on Howard Streetscape and maybe that could be stretched.

Alderman Rainey stated that Howard Streetscape has been paid for two years and a large chunk came out of CDBG funds. She said if it weren't for the 8th Ward, Evanston would get little from the federal government. She commented that once people start talking about \$40,000 not being worth much to the people here, what is really being said, is it takes each of 40 people's \$3,000 in property taxes to pay \$40,000 and she thought those people are significant. She asked Council to look at expenditures and one is \$50,000 for contingency. She emphasized that now is the time to draw the line. She said there are people here who are opposed to any increase in street lighting. People want street lights to work but she was not willing to increase the capital debt. Street lighting already was increased and now they have an opportunity to save \$40,000 and not eliminate anything they planned to spend.

Alderman Newman referred to a memo from the police chief on crime that one of the best ways to improve public safety is with better lighting. He stated if the 8th Ward alderman wanted it, her ward could be last in improving lighting. He said there are many needs in streets, buildings, parks, etc. He felt reducing the \$400,000 in capital needs was a mistake.

Alderman Engelman agreed that the City has huge capital needs and Council learned that maintenance cannot be deferred because it will only get more expensive to do. He would not support this motion if it was to defer maintenance. What was being proposed were things that could be deferred. He noted the City is in a difficult situation. There is a \$4 million shortfall and the proposal is to cover it with a 7.2% tax increase and other ways. He noted when a family has such a problem they go out and get another job, try to bring in more money and maybe borrow more and tighten the belt. They were not saying the projects recommended by staff for this found money were not worthwhile. He noted a community to the north proposed increased lighting and a roomful of people opposed that. He was saying the City is faced with a serious problem and every effort should be made to cut the proposed tax increase.

Alderman Moran stated the reality of capital needs is that they are ignored. Last year Council learned they are \$300 million behind. Streets are a shambles. There are 600 blocks of unpaved alleys. The Civic Center is falling apart and two years ago a report said they will need to spend \$15 million to Band-Aid it and Council refuses to deal with these issues. Six months ago they received a report on streets with specific suggestions as to how they would fund that. At the same time money is being spent on other projects and the City cannot make ends meet. On the white paper, they are cutting about \$700,000 of expenditures from a \$140 million budget. He stated there were no courageous decisions here and those who get pushed around are mental health and community purchased service contracts, emergency assistance, victim/witness, youth advocacy, largely voiceless constituencies that have been targeted as they try to cobble together a budget that does not address the City's problems. He supported the motion hoping that somebody would be willing to enter into a meaningful discussion before the Budget Policy Committee in the future. Another failing is that they keep doing this on a one-year basis and the City cannot afford to budget that way. Needs are projected over five and ten years and until they start addressing these needs from a two, three or five year perspective they will continue to be lost. Last year the City had a 4% property tax increase. Council refuses to address the annual systemic problem of a 5-1/2% cost increase with a 2-1/2% annual revenue increase. He supported the motion because there was no meaningful way to address infrastructure needs at that point and he was trying to make it less onerous to those who pay taxes and to ease the burden of those targeted for cuts.

Alderman Feldman opposed the motion saying that City buildings are not in great repair and they struggle to keep them operating. He would support any opportunity to keep them up. He said the same people who want to cut taxes are also interested in maintaining quality of life here. One of the ways Evanston is tolerable is with good recreation programs, buildings are heated and well maintained and children enjoy playing in the parks. They must have well delivered services and the infrastructure here is vital. In the 9th Ward, communications are to increase street lighting, which gives a feeling of safety to residents and is a basic service. The memo stated that out of the \$400,000, \$90,000 would go to renovate Mason Park. The memo talks about an Urban Parks and Recreation Recovery (UPAR) grant that the City believes they

have a good chance of getting, a 30-70 match. The City wants to leverage the \$90,000 to fix up Mason Park at an estimated cost of \$700,000. Mason Park is comprised of basketball courts and softball fields. He did not want to miss getting the additional 70% match. Alderman Rainey spoke of getting a grant writer. He noted the Recreation Department obtained grants by employing a grant writer. The \$400,000 contains \$50,000 to hire a grant writer for the whole City, which can provide leverage for more funds. To him the benefits were more important than the small decrease in taxes to individuals. He said there are other things they could put up to reduce the debt service, but they haven't done that and the reason why is that the programs Council supported were more important than doing that. He did not think they were more important than dealing with Mason Park renovation, street lighting and grant writing. He said the last thing they can do is let the "roof leak." He thought the little bit that would come off of taxes is better invested in whatever way they can to increase how the City functions.

Alderman Bernstein asked whether the expenditure would impact his constituency better by reducing the obligation by \$40,000 or to leverage it toward \$400,000 of needed improvements? He stated 4th Ward lighting is terribly dim; received five calls that week from residents who need alleys graded. He thought they were better serving the community by spending on capital improvements, many of which are planned in the future. He recalled Council has increased the capital budget recently because they could wait no longer to meet some infrastructure needs.

Alderman Jean-Baptiste asked Finance Director Bill Stafford what could be saved per person if they did not expend the \$400,000. Mr. Stafford stated if they don't borrow the \$400,000 it saves \$40,000 in debt service; the property tax increase would go down to 7.06% or \$2.19 per person on an \$8,000 tax bill.

Alderman Jean-Baptiste thought all want to do the right thing, but when they spend energy trying to manage the perception of doing something for constituents as opposed to REALLY doing something, they have to sort that out. He wondered whether the \$40,000 in debt service would save a significant amount of money and confirmed it would be \$2.19 on an \$8,000 tax bill. He would rather have Bradley Place paved, which has so many potholes people have to slow down. Along Fowler Avenue from Dempster to Main streets, prior to the sweep by the Police Department, drug dealers hung out where lighting was dim and he would choose brighter lights. He would like to see alleys graded that need it and wanted to move forward. They have wrestled with the Summer Youth Employment Program, Fleetwood-Jourdain Theatre, cable services and branch libraries. He thought Council had tried to be responsive to constituents and won't score 100%. Many will be dissatisfied. He thought he would be voting to manage the perception if he voted for the motion. The reality is they need services the \$400,000 could provide so he opposed the motion.

Alderman Rainey spoke to Alderman Jean-Baptiste's concept that reducing the debt service by \$40,000 is managing the perception and avoiding reality. She said they have to start someplace and this is \$400,000. She noted when they are finished, a \$3,000 tax bill, (below average) means that household pays \$258/month in property tax. That was her household not long ago. That same tax bill, due to inclusions and the inability to reduce taxes, has crept up to \$8,000 and the taxpayer pays \$675/month. *That* is the reality. She was on Council when taxes were \$3,000 and took responsibility for raising taxes. They cannot continue that kind of climb. The home has increased in value true, but not all have tripled or quadrupled their income in that period. She commented Council has asked non-union employees to take a hit on their salary increase. Taxes are being raised 7.2% and employees are asked to accept a 2 or 3% increase. She knows the reality and it's the same for everybody here. She noted that Mason Park is scheduled for improvements in 2005. They show elitism if they don't notice \$40,000 and hoped by the evening's end they could cut \$400,000.

Roll call. Voting aye – Kent, Moran, Engelman, Rainey. Voting nay – Bernstein, Feldman, Newman, Jean-Baptiste, Wynne. Motion failed (4-5)

Alderman Engelman asked makers of the motion on the white paper to explain the revenue side, Fleetwood-Jourdain \$20,000 and revised parking tickets estimate \$40,000. Alderman Feldman responded that the City Manager's memo indicated as a result of Administrative Adjudication, the parking fines have been coming in at a higher rate than before, therefore an additional estimated \$40,000 was appropriate.

Alderman Newman called the question. Alderman Engelman clarified they were voting on the white paper as an amendment to the proposed budget.

Roll call. Voting aye – Bernstein, Kent, Feldman, Newman, Jean-Baptiste, Wynne. Voting nay – Moran, Engelman, Rainey. Motion carried (6-3)

Alderman Engelman explained his vote on the amendment; said it was really about the \$486,400 in real estate taxes to balance the budget. He was proud of Council because they started early, established budget policy and gave the City Manager direction. The manager came back early with some unfortunate information but staff saw what was ahead and was on top of the situation even before September 11. The situation was exacerbated by September 11. He thought as they took the City Manager's proposal, which was not easy to make, to the public and heard their response, it was interesting that the public favored a small tax increase because diversity was important to the community. He was proud that Aldermen Newman, Feldman and Wynne continued and made sure there was dialogue within the Council in an effort to find a budget palatable to the majority of Council by producing the white paper. However, he was disappointed and opposed the result. They heard citizens say they could pay a little more in taxes and that diversity is important and he agreed. He said sometimes, as elected leaders, they must lead where the citizens are not pushing. Now was the time to make tough choices. It would not be easy to close branch libraries, to dismantle the Fleetwood-Jourdain Theatre project, to relocate the Children's Theater to the Levy Center or the adult theater to Noyes Center. There are times to tighten one's belt. What they have done is to accept a "new credit card" with approval for another \$400,000. He did not think they would solve the financial problem by raising revenue. They have to cut services. They are cutting one-third from mental health and community purchased services, an important constituency for this community for its diversity, but one with a small voice. The budget is being balanced on a portion of City staff and in such a way that they are creating two classes. While the white paper was well intentioned, now was the time to do something and a 7.4% property tax increase was not what the community was about.

Alderman Newman was ready for amendments such as spending cuts; noted there is one million in cuts above the \$663,000 occurring throughout the organization including cuts of some 29 staff positions. He did not hear Alderman Engelman advocating for a head tax, a choice some made. Some felt that piling onto the business community was counter-productive. He believed people who lease office space understand additional taxes. A \$5 head tax in the first year could increase in subsequent years and be a deterrent to locate here. Businesses are assessed at twice the rate of residential property and contribute mightily to the tax base. He noted it takes a consensus of Council to make a cut. There are four-five programs he would cut that don't affect the 1st Ward, but there's no consensus on Council to do them. It is easy to cut something that does not affect one's ward. He thought the leadership that was not there was that no member of Council could bring five together on the list of proposed cuts. He thought it easy to vote against this budget and harder to come up with an alternative that would not increase the real estate tax by \$400,000. After the citizen groups met, the state reduced funding by another \$372,000. He stated nobody wanted to cut mental health or community purchased services, grants he has supported for the 10 years he has been on Council. Those programs are not being eliminated but taking reductions the same as the staff and city government is. There was no consensus to close branch libraries and every Council member did their best to find cuts. He said the burden of further cuts is on those who object to this budget. One alternative was the head tax, which was rejected. Even if they had accepted a head tax, real estate taxes would have gone up 4%. He said the reality is that tax bills are being raised 1.3% after revenues projected not to come and after September 11. There are Council members who want to maintain the quality of the community starting with public safety -- fire and police protection. They are trying to provide quality services to the community.

Alderman Feldman said the process that brought them to this point was better than those used in past years. The manager presented significant cuts to them as he was asked to do by the Budget Policy Committee. They all benefited from participation of citizens. It was suggested leadership was going someplace citizens don't go. He asked why that would be leadership in the face of overwhelming protests such as closing branch libraries against the will of the people while instituting a small tax increase is not? He thought this budget represented what Council and the community could settle for. If they polled each member, each would have something different. They arrived at this after much give/take and each has a constituency. This is a budget for the entire City. He said there were references to a panacea that is out there somewhere if only the Council got busy and did something about it. The Council knows there is no panacea. There may be help but it won't solve their problems. The way they solve these problems is by "biting the bullet" and raising more money not necessarily by more taxation. Raising money involves building the community by bringing in other people's money to pay instead of residents' taxes. He thought they had done that well and it would pay off. He said that was not a panacea but would make a dramatic difference when those developments come online and start pouring money into the

school districts and the City's coffers.

Alderman Moran congratulated Alderman Engelman for trying to lead Council down a different path in terms of the budget process but was not satisfied with the proposed amended budget. He recalled in call of the wards Alderman Newman said Council was not looking at police and fire and maybe not at anything else and called it a "non-starter." He said they received a budget memo that 70% of the City's budget difficulties, which lie between 3% and 6% or 2-1/2% and 5%, are related to personnel. When a Council member says they won't look at 70% of the budget, hope is small. He noted when they get to the other 30%, they can only nip around the corners. As they go through budget memos and look at additional staff, he noted 18 extra police officers were hired over the past three-four years. Those police were a result of a federal grant program that in the early years paid a high percentage of their salaries. Now there are no federal funds for police officers. So the City has 18 extra police officers and no extra money to pay them. He pointed out that was taken off the agenda six months ago. He noted 18 months ago, when they were considering rebuilding the east fire station on Central Street, there was no discussion about consolidating fire stations. That came on the heels of a 10-year-old report that said Evanston could get by with three fire stations and Evanston has five. Many say they don't want the response time to go from 4-1/2 minutes to 5 or longer if it is an medical emergency. He thought they could relate to it on a humanistic basis but asked how do they pay for this? He noted \$190,000 for mental health and community purchased services is a drop in the bucket in a \$140 million budget. He said the North Branch Library means a lot to many people but its cost is a drop in the bucket (3% of the total library budget, serves 11% of the people who come to the library system and is a cost-effective deliverer of library services on a per book circulation cost). He did not think that cut would save the City. For many years he recommended that the City stop funding the community defender program. Alderman Newman said they weren't going to talk about that last week. It is a service that duplicates what is paid for by taxpayers through the Cook County Public Defender System. Over \$100,000 goes to it. It was obvious to him they weren't going to discuss anything that evening. They received the white paper and the admonition was the authors would consider changes. But, they have been told for months, years that they were not going to consider changes. In the meantime, the City is building a \$9 million new Levy Center in James Park, when the original projection was for \$6 million. When it came back at \$9 million, the committee responsible for looking at it was told to come back with a little leaner facility because the City was in tough financial shape. The committee came back and said they wanted the \$9 million building. He recalled the debate on whether they should pay \$9 million for a Levy Center and Alderman Feldman said they should build it no matter what it costs because that was their vision. He said there are many places they could find efficiencies and few of those are subject to discussion by this Council. The end result is the creation of a two-caste system among employees, cuts in areas where people tend to be voiceless and need help and with these kinds of rules in place it will get worse. He predicted when they are back in a year, the property tax increase will not be 7% but more like 10% or more. He appreciated Alderman Rainey's suggestion to cut \$40,000 in debt service. People can say it is only \$2.19, but any effort to cut back the tax increase is worthwhile. He thought the message was that the City gets a \$400,000 grant so it gets spent. An orderly process needs to be followed with capital improvements instead of somebody saying the community needs brighter lighting. For 11 years no one in his ward has asked for brighter lighting. He wanted to engage in a meaningful discussion about the budget and where they are headed, but did not think they could. He sees a political landscape in which there will not be discussions on most of what they need to talk about; was relegated to making a symbolic protest; hoped there would be a time when they could engage in a full discussion.

Alderman Rainey had no problem cutting \$190,000 from mental health. 8th Ward residents have told her if they wanted their money given to non-profits they would donate it. She spoke about the recycling revenue on the white paper; explained the \$400,000 that has been on tax bills for years was now being transferred to the water bill. The water bill currently has a \$2 recycling charge for two months. It will now carry a \$5.72 charge for recycling because \$400,000 was taken off of the bottom line. She called it cosmetic and the water bill this year will also include a 10% sewer rate increase. Alderman Rainey stated it costs the community \$686,400 to have Groot, a private recycling company, pick up material from bins. The charge is for nearly 20,000 customers. Groot has told them about 10,000 are using the service. Keep Evanston Beautiful, Inc. told them that those 10,000 people are adding about \$25,000/month to solid waste disposal costs. Not only are they paying for a service that half the people are getting, they also cost \$300,000 a year for sanitation workers to pick up extra garbage and take it to Wheeling. She proposed a revenue enhancement of \$500,000. This would involve ticketing every person \$50 who is not recycling. If adopted, she predicted they would see quick behavior modification. She proposed the fine be put on the water bill and if not paid, shut off the water. She pointed out some communities charge people for garbage if they don't recycle. She stated it is the law to recycle; pointed out the City is

generous and picks up everybody's yard waste, yet pays over \$300,000 extra a year for a service that is not used. Alderman Rainey moved to start fining people \$50 who do not recycle. Seconded by Alderman Bernstein.

Alderman Newman said there was no information on the program and how much it would generate in a year. He asked Mr. Stafford for a figure. Alderman Rainey lowered the figure to \$350,000. Mr. Stafford could not give a figure. Alderman Newman suggested they find out about the people who don't recycle and see what can be done to promote recycling. He did not see them plugging in \$350,000 in revenue on a question mark. Alderman Newman urged this be referred to the A&PW Committee. Alderman Bernstein thought it would be difficult to enforce but could be worked out and a good idea but could not support it as a budget item because they don't have enough information. He wanted to see recycling utilized, which would generate more saleable goods.

Alderman Rainey countered that they did not hold public hearings on various fees and fines; said they have information that Groot provided, which is that about half the people don't recycle. She pointed out not recycling is a violation of state law. Keep Evanston Beautiful has put out all this information. The way the City knows people are not recycling is to drive down alleys and there are no recyclables in the red bins or paper bags. Alderman Bernstein said there might be people who don't use bins and they would almost have to go through somebody's garbage to determine if they were recycling or not. She recognized that the landfill problem and recycling are not a priority of this Council; wanted to encourage environmentalists to come before this Council and speak. She asked for confirmation of Keep Evanston Beautiful's numbers from Groot: the amounts picked up and number of stops they don't have to make. She did not believe there are people who have no paper or other recyclable materials.

Roll call. Voting aye – Rainey. Voting nay – Bernstein, Kent, Moran, Engelman, Feldman, Newman, Jean-Baptiste, Wynne. Motion failed (1-8)

Alderman Rainey moved to restore the recycling fee to the tax bill, reducing revenue by \$400,000. Alderman Rainey explained that the \$400,000 they are proposing to go on the water bill, she wants that back on the tax bill. Regardless of how they felt about fining people who do not recycle, she suspects Council believes recycling is a community value. For that reason it is a financial obligation for all people to assume. She was asking that it be removed from the water bill and put back on the tax bill, where that small amount of money would be tax deductible for people paying property tax. Removing the \$5.72 every other month from the tax bill means it is not deductible anymore. She urged that if they are going to pay until it hurts, to at least be able to deduct it. Seconded by Alderman Bernstein.

Alderman Bernstein asked for tax implications of the motion. The tax increase would be 8.7%.

Alderman Bernstein said this spreads costs across the board and is truth in taxation. Alderman Rainey suggested moving the cost of garbage pickup to the water bills. She suggested with everybody paying for recycling and all residents recycling will reduce the tax bill to businesses and found the argument disingenuous. She asked about all that residents pay for businesses? She pointed out that residents' garbage is picked up. Businesses don't get that service nor do apartment buildings. Are they lying to businesses? No. It is the cost of having a clean, sanitary community. All pay for things they do not use and do so because it has to do with the total community. She stated recycling is a community value and should be tax deductible.

Roll call. Voting aye – Bernstein, Kent, Rainey, Jean-Baptiste. Voting nay – Moran, Engelman, Feldman, Newman, Wynne. Motion failed (4-5)

Alderman Wynne, an author of the white paper and a Budget Policy Committee member with Chairman Engelman and aldermen Moran and Bernstein, said the process was positive and a beginning. They have one million in cuts many may not be aware of. Building consensus on budgets is not easy. She thought part of doing that was having conversations and recognizing that not everyone thinks the same way. She stated her phone number was 328-5651 and was ready to listen to anyone's ideas. She recalled they heard some terrific ideas from citizens that are in this budget. She hopes a year from now there is not a 10% property tax increase because the committee will have continued to work on the big issues starting in March. She stated that no one on Council thinks another member is committed to some idea that they have never stood up and talked about. She said that nothing was off the table for discussion. She waited for good ideas and

talked about this budget with many Council members. The only way they can build consensus is to have conversations with each other, find what their concerns are, significant issues and what can be worked out. There are many times she believes they should not represent wards but be aldermen at large. On budgets they should be Council members at large and not have constituencies so they are able to look at some of the third rail issues. She found Alderman Rainey's ideas on recycling and garbage interesting and should be pursued at the A&PW Committee or Budget Policy Committee. She noted that in Seattle, garbage is weighed weekly when picked up and if above a certain amount residents pay. In New Jersey residents are required to sort recycling by glass color and are ticketed if it is mixed. She recycles twice monthly and stated they have to work on implementation. She wanted to hear other ideas and did not like being lumped into a group with no mind of its own.

Alderman Rainey wanted to remove the 8:00 a.m. to 9:00 p.m. parking meter charge from the budget. She stated this was one of the worst budgets she ever saw and one of the reasons was that it balances the budget with parking tickets, the one thing that people make fun of. People make fun of enforcement officers who hide and claim when they leave their car, the officer pounces and gives them a ticket. She hears this over and over about downtown. She thought there was irony where they are eliminating funds for victim witness. Yesterday she had a call from a 9th Ward resident which led her to speak to a member of the victim/witness team about a unique restraining order. This involved terrible domestic abuse. The employee told her that her position was being eliminated. Alderman Rainey noted that these employees, who deal with the most victimized people in the community, are being cut and at the same time they are funding the Community Defender. A reason they fund the Community Defender is they have a social worker component to work with the criminals who terrorize the victims assisted by victim/witness staff.

Alderman Newman clarified that victim/witness staff was a reduction, not elimination, and that it would be combined with the youth services bureau. There would still be five employees performing victim/witness duties. He found the representation that victim/witness was eliminated as misinformation. He said someone had implied they could use the \$9 million from the Levy Center to balance the budget. The Levy Center is being paid for from downtown TIF funds, can only be used within that district or to replace uses in that district. It was said the number of police officers was increased by 18, which was false. When he became an alderman in 1992, there were 152 officers, tonight they have 161. They increased officers in the early 1990s due to an increase in crime here. Nobody ever said there weren't motions to reduce the Police Department. He said Alderman Moran made implications about Fire Station #3 and the Civic Center falling apart. He thought Alderman Moran would put \$13 million into the Civic Center but he has not received a single call asking that \$13 million be put there. Several ideas in the budget were one's that Alderman Moran endorsed during the budget process. He said they could vote on the Community Defender program. He said the choices were made because those alternatives were better than cuts and the head tax. He felt a head tax would harm the City. He suggested they could argue the budget fairly and when someone says Council members fall into line behind one is to diminish those people personally. There was a lot of give and take, all were invited to join and could have tried to convince others that they had a better way to go. He did not agree in 1996 for a \$1/year rent for the Evanston Arts Center and at that time could not get his ideas through. He looked at privatizing sanitation last year and failed but has kept going.

Alderman Engelman agreed with Alderman Rainey's assessment of parking meter revenue that raises revenues by nickels/dimes drives people away. He said the business community was willing to accept this more than the food/beverage tax and would do so because they were told it will get meter feeders off the street after 4:00 p.m., the reason there are problems with on-street parking for restaurants. He had requested a budget memo on meter feeding and found it "lukewarm." He hoped if this stayed in the budget there would be an aggressive attempt to stop meter feeding. He noted those who voted against the amendments were challenged to come up with alternatives. The first alternative brought up would have saved \$40,000. Instead of spending on something nobody thought about until five days ago, it was voted down. While he appreciated the consensus building, he described this as a consensus of what programs I don't want to eliminate as opposed to a consensus of we're all in this one together, we will all take a hit, and we all will have constituencies that will not be happy. He appreciated the consensus building, the process and to a great extent the end result. He could not second Alderman Rainey's motion on the parking meter revenue because it would end up as an additional property tax increase.

Alderman Rainey asked the Mayor to consider vetoing this budget. Alderman Feldman called the question.

Roll call. Voting aye – Bernstein, Kent, Feldman, Newman, Jean-Baptiste, Wynne. Voting nay - Moran, Engelman, Rainey. Motion carried. (6-3)

Resolution 12-R-02 – Proposed 2002-2007 Capital Improvement Program – Consideration of proposed Resolution 12-R-02, the 2002-2007 Capital Improvement Program.

Alderman Feldman moved approval. Seconded by Alderman Wynne.

Alderman Newman moved to eliminate the \$490,000 under financial software. Seconded by Alderman Rainey. Alderman Newman asked Mr. Stafford under Financial/Human Resources Software System, Water Fund, was the additional \$500,000 to be paid in cash or bonded for? Mr. Stafford stated it would be paid in cash. Alderman Newman understood that if they passed the CIP as is they would be committing \$4 million for new financial software. There is \$3.1 million from prior budgets and the \$490,000 and the \$500,000 will put this up to \$4.1 million but he did not think it would cost that much. He thought that would reduce the levy because they would go out to borrow \$5.5 million and save \$49,000.

Alderman Engelman confirmed that the \$490,000 was to be added to the \$3.1 million previously allocated for the new financial software. Yet he saw another \$100,000 each year thereafter and asked what that was for? Mr. Stafford said the \$100,000 was for integration of systems. The City has some 40 stand-alone packages which would not be integrated immediately. Alderman Engelman noted that staff wants to spend \$4 million on a financial software package, then spend \$100,000 a year to begin to integrate existing systems into that. Mr. Stafford said all cannot be integrated at once. Alderman Engelman asked how many more years than four were there? Mr. Stafford did not know and said 90% would get them what they want. Alderman Engelman asked the actual cost of the financial software system if the \$490,000 was eliminated and could they buy it this year? Mr. Stafford said they could buy it this year. They have the option of looking at other systems or implementing all the modules originally anticipated. He said they would work with what Council gives them. Alderman Engelman asked if the \$490,000 were eliminated then, would they have to put it in the future? Mr. Stafford said they could do without the \$490,000. Alderman Engelman stated they would have to integrate the modules somewhere along the line. Mr. Stafford concurred. On long-term expenditures, Alderman Engelman asked if they could get far enough up the ladder that the incremental steps would not be difficult? Will the \$3.1 million be sufficient to get staff where they want to go this year? Mr. Stafford said some changes would have to be made but they could get most of what they want. Alderman Engelman asked if the other line item, \$500,000 had been previously allocated? Alderman Newman said it was new money. Mr. Stafford explained that this is cash in the DINE account in the Water Fund. The reason it is in there is originally when they bonded almost three years ago, they bonded \$500,000 for a water billing system and part of a financial system. They had to spend those bonds because they weren't ready to buy so that amount was spent on other projects in the Water Division. This is to replace that. That had to be spent because of arbitrage laws. Mr. Stafford stated it was approved by Council as part of the meter program. Alderman Engelman asked if the \$500,000 and the \$490,000 were taken out, what would that leave them capable of implementing in the forthcoming year? Mr. Stafford responded only core financials (general ledger) and they could not consider doing human resource/payroll. It would be a considerable downsize. Alderman Engelman asked if this was a jump up the ladder or small steps? Mr. Stafford stated they would try to make it work without the \$490,000 but taking the \$500,000 out meant the human resource/payroll would be out. Alderman Newman understood that the \$490,000 was not needed. He would put the \$490,000 into capital improvements, but was hearing excitement about reducing the levy. He thought the \$500,000 would be irresponsible because they had no idea of what that would do to water/sewer rates. He suggested that they not earmark the \$500,000 now until they hear more about the project. The \$500,000 would still be in the Water Fund and they would know water/sewer rates before earmarking that money for financial software. He noted different aldermen have different values on what projects are important. In the 1st Ward better street lighting is important. Nobody has called about financial software. If they want to talk about people who pay bills online, he thought that would be a small percentage of the population and they could have that conversation later. Alderman Newman thought they would have \$3.1 million available for financial software.

Alderman Jean-Baptiste stated whatever direction they go on the software package, no one has been authorized to make such a purchase so if they decide to allocate this money they have not authorized spending the money. Some are concerned that \$3.5 million was needed to be spent on financial software. He thought it would be cheaper next year. Alderman Jean-Baptiste moved not to remove \$490,000 from the capital budget. Seconded by Alderman Feldman.

Roll call. Voting aye – Bernstein, Kent, Feldman, Newman, Jean-Baptiste, Wynne. Voting nay – Moran, Engelman, Rainey

Motion carried. (6-3)

Roll call on Alderman Newman's motion as amended. Voting aye – Bernstein, Kent, Feldman, Newman, Jean-Baptiste, Wynne. Voting nay – Moran, Engelman, Rainey. Motion carried. (6-3)

Alderman Newman moved to leave \$500,000 cash (second to last page Appendix A) in the Water Fund until staff presented a plan for the software purchase/cost and consequences to the water/sewer funds by making this transfer. Seconded by Alderman Bernstein.

Alderman Engelman asked if this cash was in the Water Fund currently? Yes. Mr. Crum stated it puts a hold on \$500,000. Alderman Engelman confirmed this \$500,000 was not calculated into the \$6 million bond they will borrow for. He noted it could not have been spent on financial software because staff would have had to come to Council with a purchase. Alderman Newman said there was over one million taken from the Water Fund. He asked, before the \$500,000 is spent, would they get an explanation the effect on rates? Mayor Morton asked about using Water Fund money to reduce the levy and said this contradicts that. Mr. Stafford explained these are one-time dollars. One philosophy they have upheld is if they moved money over it would not be with one-time dollars. He said they have transferred \$2.6 million annually, have tried to reduce that but have been unable. Alderman Bernstein understood that the \$3.5 million would not impact water service. Mr. Crum explained the water bill paying system was partially separate, but the Water Fund is a City fund with employees. Management & Budget Director Pat Casey explained the software supports the financial system they have for the water, parking and sewer funds.

Roll call. Voting aye – Bernstein, Kent, Moran, Engelman, Rainey, Feldman, Newman, Jean-Baptiste, Wynne. Voting nay – none. Motion carried. (9-0)

Alderman Newman moved approval of the staff recommendations for the \$400,000 as recommended by the CIP team in the 2/20/02 memo. Seconded by Alderman Feldman.

Alderman Engelman stated it was for Mason Park, Dempster Street Beach, grant writer for two years, street fund and street lighting. He asked that the \$50,000 for contingency be allocated to supplement the \$25,000 previously allocated for Leahy Park Sledding, which might get them close enough to raise the additional \$50,000 to actually do it. Seconded by Alderman Newman.

Roll call. Voting aye – Bernstein, Engelman, Newman, Wynne. Voting nay – Kent, Moran, Rainey, Feldman, Jean-Baptiste. Motion failed. (4-5)

Alderman Rainey stated staff had come with new capital expenditures and Council had no role in making those decisions. The motion was how to use that money. Alderman Bernstein asked for a friendly amendment to keep the \$400,000 in the capital budget but to defer expenditure until Council decides where to spend it. Alderman Feldman explained the decision to implement the \$400,000 was based on a memo with specific expenditures. Alderman Moran pointed out the earlier motion was addressed to the budget, not the Capital Improvement Plan. He explained Alderman Rainey wanted to use the \$400,000 to reduce debt service. They did not vote on the CIP proposal on the \$400,000. Alderman Rainey wanted to know how the specific proposals came about?

Assistant City Manager Judith Aiello stated staff looked at projects in need of additional financing such as the Dempster Street Beach Garage, which went out to bid and was well over budget and the project lingered. With additional funds they could rebid that project. In the seven-year strategic plan on Mason Park, all that was allocated were funds for softball fields and basketball courts. The City became aware that this may be the last year for a UPAR grant, which are only for parks within the CDBG target area. There was an opportunity to do the entire park similar to James and Beck parks so a match was needed. On street lighting, they have listened to the need for additional funds to speed up getting that project done. They listened to Council members who indicated a need for a grant writer. On contingency, in the past projects have come in under budget with savings used for projects that came in over budget. Recently most projects come in on budget or over, so little is left in contingency.

Alderman Newman moved a substitute motion to allocate \$90,000 to Mason Park, \$150,000 for street lighting and the \$160,000 reserved for further discussion by Council. Seconded by Alderman Bernstein.

Roll call. Voting aye – Bernstein, Kent, Feldman, Newman, Jean-Baptiste, Wynne. Voting nay – Moran, Engelman, Rainey. Motion carried. (6-3)

Roll call on Capital Improvement Budget as amended. Voting aye – Bernstein, Kent, Moran, Engelman, Rainey, Feldman, Newman, Jean-Baptiste, Wynne. Voting nay – none. Motion carried (9-0).

Alderman Feldman stated Council action affects the well being of employees and the Council's sentiment is that these employees are valued and probably overworked. The reasons for this were compelling and he hoped the circumstances are temporary and regrets disappointment employees may feel. The situation is a result of events employees are well aware of. He thanked employees for their continued loyalty.

Alderman Bernstein announced an 8:00 p.m. meeting March 5 at King Lab School to discuss the sale of District 65 property at 1314 Ridge Avenue. District 65 has decided to sell only to an entity that would put the property on the tax rolls. The other parameters are to be determined.

There being no further business to come before Council, Mayor Morton asked for a motion to adjourn. The Council so moved at 12:52 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.