

ROLL CALL - PRESENT:

	Alderman Rainey	Alderman Jean-Baptiste
	Alderman Feldman	Alderman Bernstein
A Quorum was present.		Alderman Moran

NOT PRESENT AT ROLL CALL:

Aldermen Engelman, Newman, Wynne, Kent

ABSENT:

None

PRESIDING:

Mayor Lorraine H. Morton

The OFFICIAL REGULAR MEETING of the City Council was called to order by Mayor Morton Monday, September 9, 2002 at 5:13 p.m. in the Aldermanic Library. Alderman Rainey moved that Council convene into Closed Session for the purpose of discussing matters related to collective bargaining, litigation, real estate and closed session minutes pursuant to 5ILCS Section 120/2 (c) (2), (5), (6), (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.

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

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

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

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

Roll call. Voting aye –Rainey, Feldman, Jean-Baptiste, Bernstein, Moran. Voting nay – none. Motion carried (5-0).

At 7:23 p.m. Alderman Jean-Baptiste moved to reconvene into Open Session and recess. Seconded by Alderman Feldman. Motion carried. No nays.

Mayor Morton reconvened the City Council at 9:24 p.m. in the City Council Chamber.

Announcements:

Human Relations Commission Executive Director Paula Haynes presented a Bronze Award from Evanston’s United Way to Mayor Morton in recognition of 215 city employees who contributed \$15,733 this year. City Manager Roger Crum thanked Ms. Haynes for coordinating the United Way drive for two years.

Health & Human Services Director Jay Terry reported that Evanston has 19 confirmed/suspected cases of West Nile

virus and Illinois now has 268 cases, making Illinois number one in the nation for West Nile Virus cases. The priority of local governments now is to make a coordinated effort on when and where spraying will occur. He noted that the disease is concentrated in the northern suburbs and northern Chicago and the southwest side of Chicago and southwest suburbs with disproportionately high numbers in Evanston and Skokie. The North Shore Mosquito Abatement District has been advised on appropriate areas to spray. He noted that spraying is impacted by weather and when temperatures are below 60°F spraying is not effective. In response to Mayor Morton, Mr. Terry said that an initial round of spraying was done in parts of Evanston in early August and spraying was scheduled last week/weekend. Alderman Feldman asked that Council be notified if the North Shore Mosquito Abatement District does not spray.

September 11 Remembrance. City Manager Crum announced that a special observance would be held at Fire Station #1, 1332 Emerson at 8:45 a.m. with Police and Fire departments and a short ceremony at the Civic Center at 10:00 a.m.

Mayor Morton announced a special ceremony at the Bank One Plaza, 1603 Orrington Ave. beginning at 11:45 a.m. with the ETHS band and ceremony at 12:00 noon. An interfaith service would be held at Beth Emet synagogue at 7:30 p.m.

Mr. Crum announced a major change in traffic flow on Green Bay Rd. and Clark St., starting Thursday. There will be one lane on Green Bay Rd. and one lane approaching from Ridge and only the Ridge lane will be permitted to turn left onto Clark St. If this works, the change will be made permanent.

Mayor Morton presented representatives of the Evanston Youth Baseball and Softball Association and the Evanston Youth Soccer Association with Community Service Awards from the Illinois Parks & Recreation Association.

Communications:

City Clerk Mary Morris announced extended hours for voter registration for the upcoming November 5 General Election Saturdays, September 21, September 28 and October 5, 2002, from 9:00 a.m. to noon in the City Clerk's office, in addition to regular hours 8:30 a.m. to 5:00 p.m. Monday-Friday at the Civic Center. The last day to register is Monday, October 7. Applications for voters who wish to vote absentee by mail are available at the City Clerk's Office and can be received by calling (847) 866-2925 or picked up at the Clerk's office.

CITIZEN COMMENT:

Dan Schermerhorn, 2733 Central St., thanked the P&D Committee for taking up the issue of reducing interest on security deposits. He questioned paragraph D that calls for those deposits to be held in a separate account from operating funds of the landlord; said this requirement goes beyond what the State of Illinois requires.

Jeanne Lindwall, 625 Library Pl., stated in light of recent media coverage of the Northeast Historic District, NEHDA felt it appropriate to share some history with City Council from a talk, "A Practical History of Preservation in Evanston" given recently at the Evanston Historical Society. Preservation in Evanston goes back to the early 1970s when the Plan Commission was writing a new Comprehensive General Plan. A number of preservation policies were incorporated into the 1972 draft and by the time the plan was adopted in January 1974, the City's preservation policy had evolved from "consideration of whether the city should establish a preservation program to a policy that the city initiate or encourage programs both public and private for preservation structures and sites of architectural or historical significance in Evanston". There were no sudden losses of special buildings that spurred Evanston into historic preservation, just a recognition that buildings that make up Evanston's neighborhoods were special. While the classic preservation programs of the day invariably involve rescue of deteriorated areas with low property values or collections of buildings representing a single architectural style, Evanston's significant buildings and neighborhoods represented a variety of architectural styles and were, generally, in good repair. The Frank Commission, the group that led Evanston's early preservation effort recognized that for a preservation program to succeed, it needed citywide involvement and broad community understanding from city officials, businesses, the real estate community, media, civic organizations and most important, owners of landmark structures. In the fall of 1973, the Evanston Preservation Planning Conference was established and charged with developing a preservation or community conservation plan and implementation plan for Evanston. More than 100 residents participated in this effort over a 12-month period. It was agreed that while the core of the preservation program was preservation of significant structures, context was equally important. While a common

theme of preservation programs today, this was a radical notion in 1974. As the conference report noted, Evanston does not have typical old and historic districts. Rather, Evanston is a community characterized by diversity. She quoted from the report, "preserving the special and important individual structures in Evanston alone is not sufficient to ensure the preservation of the special character that Evanstonians appreciate and cherish. The different architectural styles are beneficially dominated and at the same time unified by the overall environment of quality of an entire street unit. The preservation effort should be oriented to this unit if it is to accomplish the mission of maintaining and enhancing that special environmental quality. What happens to an individual structure is more than anything else a function of what happens to the area." The most significant recommendation to come out of the planning conference was that City Council establish a Preservation Commission to identify landmarks within the intensive study areas that were identified, which City Council did in 1975. The Northeast Historic District represents a continuation of a public policy initiative that dates back more than 25 years. Contrary to what some property owners would have people believe, there was never intended anything other than a celebration of Evanston's historic neighborhoods. She thanked City Council for its continued support of preservation in Evanston.

Judy Fiske, 2319 Sherman Ave., noted by 1975, 10 intensive study areas had been identified; showed a map of the Lake Shore Historic and Ridge Historic districts and proposed Northeast Historic district. In late 1997, NEHDA began considering a Northeast Historic District and saw it as continuing the successful preservation tradition Evanston had established. In the preceding decade the LakeShore historic, Ridge historic and thematic apartment districts had been created and hundreds of individual landmarks designated. Only three years earlier, City Council had unanimously adopted a new Preservation Ordinance with binding review, replacing advisory review. The new ordinance established local historic districts and also contained rules, procedures and process for designating an area for a historic district. NEHDA relied upon this ordinance as their work progressed. It was also apparent that a majority of Evanston's property owners valued protecting the City's architectural heritage. Even on the Northwestern University campus, east of Sheridan Road, many buildings had been designated local landmarks years before. West of Sheridan Road, more Northwestern owned buildings were local landmarks and contributing structures in the LakeShore Historic District. Northwestern University and other large property owners such as Seabury-Western worked productively with the Preservation Commission. In early 1998, following community meetings and workshops, and final boundaries with the Illinois Preservation Agency in hand, NEHDA began work on the historic district in earnest. They had to write two separate historic nominations, one for the National Register and one for the City because the criteria for each nomination were different. The City had several criteria the NEHDA could choose from based on Evanston history, people and places. The national nomination asked to address architectural significance. For the local nomination it was important to discuss the contribution of Sheridan Road and they wanted to include the architectural and historically significant buildings as well as existing local landmarks fronting on Sheridan Road including the Ingraham House at 1908, Seabury & Western Theological Seminary and the Evanston Waterworks. NEHDA could have written the nomination in whatever order they preferred. They decided to write the national nomination first because the other local historic districts were National Register districts first. Work on the two nominations was full-time for 2-1/2 years and represented thousands of hours of laborious research. The structures and tax parcels were documented, surveyed and photographed. Architects and builders in the area were studied. An architectural historian was hired to record architectural styles objectively. Building permits were reviewed on more than 1,000 structures. Many more hours were spent preparing testimony and identifying expert witnesses who appeared before the Preservation Commission, Planning & Development Committee and City Council. Community residents paid for all work. NEHDA members love Evanston, its architecture and its neighborhoods. Five on the board of directors, Mary McWilliams, Jeanne Lindwall, Mark Burnett, James McGuire and herself, with their years of experience and involvement with preservation issues in Evanston intended the Northeast Evanston Historic District to be their gift to the City. They are pleased with the overwhelming support the district has received from residents all over Evanston and from City Council. On behalf of NEHDA, at this crucial hour, she thanked them for their steadfast defense of this neighborhood, the preservation ordinance, for long standing preservation values that they share as a community.

Bob Atkins, 2005 Orrington Ave., president of Northwestern Neighbors stated a September 2 *Chicago Tribune* article titled "Evanston Northwestern Fight Headed for Court" reported the mediation talks to resolve Northwestern's lawsuit against the City challenging the validity of the Northeast Historic District preservation ordinance had collapsed and that the judge would have to rule on the City's motion to dismiss, wherein the City argued that Northwestern's case was without any legal merit whatsoever and should be summarily dismissed before trial. On behalf of Northwestern

Neighbors, he expressed appreciation to City Council for their forthright and courageous support of the Preservation Ordinance in the face of Northwestern's scurrilous attacks on the good faith and integrity of the Council in enacting this important legislation whose salutary purpose is to better protect and preserve the historical character of a beautiful neighborhood. Unable to convince the Council that its properties be preferentially removed from the historic district, Northwestern filed a sham lawsuit in a federal court hoping the City would quickly surrender rather than engage in costly litigation against a rich and powerful institution. Northwestern guessed wrong. City Council has shown the entire community that it cannot and will not be intimidated. To cave into Northwestern's outrageous demands only invites the additional filing of strike suits by the University and other powerful interests against the City in the future. In its lawsuit, Northwestern falsely contends that the Council acted illegally and in bad faith when it enacted the ordinance claiming that the Council's action was solely animated by its animosity towards the University and was part of a calculated scheme of Council to coerce Northwestern into making financial contributions to the City. Nothing could be further from the truth. City lawyers and City Council members have vehemently denied these specious allegations. He was disappointed to read in this article that according to Mayor Morton, Northwestern's lawsuit could have been resolved by "sitting down with Northwestern if there wasn't such an animosity among some people on the Council." He said to Mayor Morton that she had no right to undermine the City's position in this pending lawsuit. In addition it was her sworn duty to support and defend the laws enacted by the Council, irrespective of personal feelings. He trusted hereafter that she would follow the lead of Council members and support the validity of the Northeast Evanston Preservation Ordinance and the City's position in the pending lawsuit. He said their neighborhood needs protection and does not need to be treated as a sacrificial lamb to facilitate Northwestern's gargantuan appetite for expansion west of Sheridan Rd.

Mary Friedl, 1313 Cleveland St., expressed concern about the lack of accessibility for disabled persons at Family Focus and the Fleetwood-Jourdain Theatre, which the City rents. Year after year she has asked that one show be moved to an accessible facility and it never happens. She objected to the City granting CDBG funds to Family Focus without it being accessible and suggested the City take responsibility for making that facility accessible. She noted the 5th Ward has a disproportionate number of persons in wheelchairs because of the 2040 Brown building. None can access this facility. She has looked at the responsibility of entities that receive federal funds and thought that there might be a problem in granting Family Focus federal funds when it is not accessible. She hoped to work with the City and the ADA committee.

Alderman Rainey stated the CD Committee had authorized money for Fleetwood-Jourdain for an elevator but not for Family Focus.

Special Presentation on Issuance of Series 2002 Bonds

Mr. Crum announced that the City was asking for permission to sell a series of bonds for new issue purposes and refinancing and because of the significance of the sale, he asked Mr. Stafford to give an overview.

Finance Director Bill Stafford noted these are economic hard times, bad for employment but good because interest rates are at an all-time low and the City is fortunate to be able to leverage taxpayer dollars to get the most out of it as a result of the market. Three ordinances were introduced August 12 and that evening was the second reading and adoption. Another ordinance was being introduced relative to a hedge. No sales would occur this week due to the September 11 events. They plan to go to the bond market September 18 and 25. In addition they will have the ordinance on the hedge back at the September 23 meeting for approval when staff will speak at the A&PW Committee on that strategy. Three bond ordinances are proposed. First is refinancing of \$2.5 million in old water revenue bonds. Second is the Sherman Plaza in the Washington National TIF district for \$34.1 million in variable rate demand bonds (similar to the Maple Avenue Garage) and a \$22 million bond issue that includes a couple of refinancings for FY2001, CIP 2002-03 and some refinancing. Water bond refinancing. There are \$2.375 million of 1992 Water revenue bonds. As with all refinancing, he said they want to get 3% present value savings on the par amounts of the bonds. This will be a good refinancing. They will get close to \$170,000 in savings, which will reduce the debt service to the Water Fund so that money can go to other things besides paying debt service. Refinancing allows two options: one is reduction of debt service and the other is to take present value cash savings and use funds for another purpose. In this situation they recommend reducing the debt service. The largest bond issue is for approximately \$34.1 million in variable rate demand bonds for the Sherman Plaza garage. These are TIF supported with Washington National TIF funds, Downtown TIF funds and parking revenues. Bond coverage is about 1.2 over 1 for all years. He said they have solid numbers on pro formas with Kane McKenna. Bond coverage gives the City the opportunity to be over a one-bond coverage up to \$37 million, using TIF dollars without using sales taxes. The City has the option, as part of the redevelopment agreement, to use sales taxes. He believes they

will not have to use sales taxes on this issue to keep coverages and make this work. He said bond documents give the City authority up to \$37 million, which he does not propose. They are at \$34.1 based on estimates and he will work with Ms. Aiello on that until the sale. The reason they are doing variable rate bonds is that part of the garage (\$5 million planned to date) will be private, which will be parking for condominiums. The Klutznick group will pay the City back in one to three years depending on financing put together. Because they don't know that and need flexibility of when they can pay those off, the quicker they can do that and get money from the Klutznick group the sooner they can pay them off. These will be seven-day bonds and can be redeemed with one month's notice giving total flexibility in when they can be paid off. Cash flow on this project is solid but variable. If there is a delay, instead of getting \$1.5 million the second year, they could get \$1.3 million and more the next year. Because they know it is certain, but variable, it gives more flexibility. The end game is to pay off the garage with TIF and parking revenues prior to the expiration of the TIFs. The charge to do that on the Maple Avenue garage is 2008 and the charge on this one is 2018 when the TIF ends. A risk when they do variable bonds is that interest rates will rise and the advantage of the lower variable rate will disappear. They avoid that by buying either a cap or a swap. They are in the process of doing that. They have to issue the bonds, then shop the hedge after that. They will tell them what the structure is on September 23 and won't be reporting the exact firm they will issue the cap to or the hedge, but will give the structure and issue the bonds, then go back, bid the cap and report to Council on what the cap was. That is to assure the City stays within the pro formas and variable interest rates in the long run don't go over projections.

Four business transactions are in the final issue. First is \$14 million for CIP funds; \$3.5 million for financial software; third is \$3.5 million for Special Service Area #5 refinancing and the fourth is \$4.3 million for 1997 GO bond refinancing. The first (\$14 million CIP) includes \$5 million for FY 2002 CIP and \$6 million for FY 2003 CIP, both approved by Council. They had added \$3 million (per retreat) for 2003 CIP with recommendation for Water CIP and money freed up there could be transferred to the Insurance Fund. All these are 20-year fixed rate issues. He stated the \$3 million on the Water Fund CIP they propose issuing \$3 million for already programmed water capital fund improvements. They have \$3 million in water capital improvements for the two prior years. They would put the money from these bonds in the Water Fund and then Council has the prerogative to move funds. They would move the \$3 million from the Water Fund into the Insurance Fund with no effect on the Water Fund or water rates. This is an exchange of dollars and allows them to fund the Insurance Fund at historically low rates. Council does not have to decide on that this evening. They will put the dollars in because Council was supportive of adding \$3 million.

The financial software is \$3.5 million. By doing this instead of lease/purchase they lower the cost and save at least \$40,000 by adding to debt service. This will be debt service for three years, not 20 years. On the SSA#5 refinancing, they have two bonds, one of \$1.99 million 1995 bonds and \$1.62 million of 1996 bonds. By refinancing these, they believe they can get present value in excess of \$100,000. They suggest these be refinanced, take the \$100,000 plus and put that money back in for needed capital improvements to the Special Service District #5 downtown business district. He explained these bonds are paid for by a special tax on downtown businesses. Alderman Newman asked why not go back to almost all bond issues. Mr. Stafford said that all bond issues were looked at and he was coming to them with ones that hit the 3% present value savings, ones that make sense. Alderman Newman asked about library bonds? He noted they put some in short-term bonds in the early 1990s, then all were put in long-term bonds in 1997. Mr. Stafford stated they have done refinancings previously. John Peterson of Legg/Mason, said in 1999, they refunded 1995 and 1996 bonds. Alderman Newman asked the amounts originally issued. Mr. Peterson said that all that is left of the 1995 bonds is \$1.9 million and of the 1996 bonds \$4.6 million and none have economic savings. The final refunding was \$4.3 million in 1997 GO bonds if it exceeded the 3% criteria. He was not guaranteeing they would come back with all of them, but most look good.

On credit factors he stated they are always under credit review and are fortunate to have a Aaa rating from Moodys. Current total debt is \$147 million and current net debt is \$58 million. The difference between the two is abatements from other funds such as the sewer funds and numerous TIFs. The \$58 million is purely tax-supported debt as opposed to other sources of revenue. After financing, total debt will be \$203 million and net new current debt will be \$69-72 million. This raises the issue that the City is getting close to its \$75 million limit, which they will look at that next year.

Recommendations are to refinance the \$2.5 million Water Revenue Bonds; give authority to issue \$34.1 million in variable rate demand bonds, \$22.6 million in GO, CIP and refinancing bonds and finally they will come back on

September 23 for the hedge/cap on the \$34.1 million variable rate demand bonds. He recognized this is complicated. The good news is that interest rates are extremely low. Mr. Peterson, Legg/Mason, was present to take questions.

Alderman Newman wanted to understand how they were going from net debt of \$58 million to \$72 million. \$6 million is for 2003 and \$5million for 2002. Alderman Newman confirmed they would take \$3million in tax supported bonds to pay off water projects. Mr. Stafford said instead of issuing \$6 million for this year's capital improvements, they will issue \$9 million. The reason that is recommended in terms of debt service is that Council approved approximately \$8.2 million. Because of low interest rates, they will be under the \$8.2 million even with \$3 million more. They propose putting \$3 million in the Water Fund, take available cash from there and transfer it into the Insurance Fund. From an economic view, they are using property taxes to pay for bonds that eventually will go into the Insurance Fund. By doing it this way, they are telling the capital markets they are funding more capital improvements.

Alderman Engelman clarified that the City had budgeted roughly \$600,000 for debt service for CIP. What they are doing, due to lower interest rates, is to bond for \$9 million and still only spend \$600,000 in debt service. It is similar to refinancing a mortgage. In this case the Council is making a policy decision to invest these additional funds in capital improvements starting with water/sewer.

Alderman Rainey's concern was where the debt service comes from to pay for this \$3 million? Mr. Stafford said it will come from property taxes. She understood that the Water Fund is a dedicated fund and water rate payers have paid for capital expenditures in that fund. She asked if this lets non-profit institutions, which pay no property taxes and are not assessed for debt service on their tax bills, off the hook? Are taxpayers assuming additional capital responsibilities? No. Mr. Stafford said the City has over \$3million in the Water Fund dedicated for capital improvements. All they are doing is putting \$3 million in bond issuance and taking \$3 million out and putting it in the Insurance Fund. Alderman Rainey said then the \$3 million in the Insurance Fund is resting. Mr. Stafford agreed and said it will be invested. He pointed out the City has booked liabilities in the Insurance Fund of close to \$20 million. This has to be funded eventually and this is an opportunity to start at low interest rates. The money will earn interest until needed. From a financial viewpoint, the market would like the City to have \$20 million in the Insurance Fund to match the \$20 million in liabilities. He was not asking for that. Alderman Rainey asked what the \$20 million liability includes. Mr. Stafford explained that annually the City gets a letter from its attorneys about its liabilities. The audit is complete and an initial statement was prepared for the bonds; anticipated a summary of the City's liabilities would be available at the September 23 meeting. Alderman Newman was glad this point was raised; the public has to understand that when the City is sued – there is an \$11 million judgement against Evanston -- that the 74,000 people who live here, if that judgement is not overturned on appeal, pay that bill with interest. What staff was suggesting, although this case will be vigorously contested, because that is out there, they have to start planning for it. Whatever they want to maintain or build will be in line with this verdict. What staff proposed is good and rational, a well thought out plan to give them an opportunity to deal with this long-term.

Alderman Feldman noted the difference between what is in the Insurance Fund and liabilities is \$16.5 million. If the City had to pay out \$11 million judgement, would that have to be borrowed? Mr. Stafford stated staff would have to look at all resources. Could they afford to take from fund balances? How much is in reserves? He would have to look at the portfolio; said they could face judgement bonds. All options would be considered.

CONSENT AGENDA (Any item marked with an Asterisk*)

Alderman Feldman moved Council approval of the Consent Agenda with the following exceptions: bid of Leisure Equipment Inc. for 10 right-hand drive vehicles for Parking Enforcement, Contract Revision #10 with Meyne Co. for the Levy Center Courtyard Project, Resolution 63-R-02 – Northwestern Homecoming Parade, Ordinance 49-O-02 – Decrease in Class B Liquor Licenses, Ordinance 48-O-02 – Increase in Class B1 Liquor Licenses, Ordinance 88-O-02 – Extension of Special Use Permit for Sherman Plaza Planned Development, Ordinance 89-O-02 – Amendment to Property Maintenance Code, Ordinance 90-O-02 – Special Use for 2201 Oakton (Type 2 Restaurant) and Ordinance 81-O-02 – Amendment to Landlord/Tenant Ordinance Reducing Security Deposit Interest. Seconded by Alderman Rainey. Roll call. Voting aye –Engelman, Rainey, Feldman, Newman, Jean-Baptiste, Wynne, Bernstein, Kent, Moran. Voting nay – none. Motion carried (9-0).

* **ITEMS APPROVED ON CONSENT AGENDA**

MINUTES:

* Approval of Minutes of the Regular City Council Meeting of August 12, 2002. * **APPROVED - CONSENT AGENDA MOTION AND ROLL CALL (9-0)**

(Alderman Kent had a correction on page 14. Instead of Grey, Hovland, Grant, should read, Grey, Hovland, Brown.)

ADMINISTRATION & PUBLIC WORKS:

* Approval, as recommended, of the City of Evanston payroll for the periods ending August 15, 2002 and August 29, 2002 and the City of Evanston bills for the period ending September 10, 2002 and that they be authorized and charged to the proper accounts, summarized as follows:

City of Evanston payroll (through 08/15/02)	\$2,055,591.40
City of Evanston payroll (through 08/29/02)	\$1,997,539.15
City of Evanston bills (through 09/10/02)	\$4,915,562.37

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

* Approval of the lowest responsive and responsible bid of Chicagoland Construction Inc. for Phase 2 of the Parking Deck Repair Project at the Municipal Service Center at a cost of \$17,930. * **APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)**

* Approval of the lowest responsive and responsible bid of Cintas dba Working Class Uniforms for a three-year contract for work uniforms for all AFSCME Local 1891 employees at a cost of \$122,785.78. * **APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)**

* Approval of the lowest responsive and responsible bid from Elite Computer Solutions for Hewlett Packard disk components for additional disk storage for Information Systems at a cost of \$15,366. * **APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)**

* Approval of Change Order #1 for Chicagoland Paving for the Tennis and Basketball Courts Improvement Project for Parks/Forestry & Recreation, increasing the cost by \$7,822.20 and the completion date by 14 days. Funding will come from the project's contingency budget. * **APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)**



* **Special Event: McGaw YMCA Indian Guides and Princesses Overnight Campout** – Consideration of a request to hold this annual overnight campout in Centennial Park from 1:00 p.m. Saturday, September 28 until noon Sunday, September 29, 2002. * **APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)**

* **Special Event: Second Annual Environmental Association Duck Pluck Race**- Consideration of a request from the Evanston Environmental Association to hold the Duck Pluck Race fundraiser at the Dawes Park Lagoon on Saturday, October 5, 2002. * **APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)**

* **Resolution 58-R-02 – Execution of Permit Extension for Construction Yard** – Consideration of proposed Resolution 58-R-02, which authorizes the City Manager to execute a permit extension with the Metropolitan Water Reclamation District for a construction yard at Noyes and Ashland for an

additional 20 months, or until December 18, 2004. * APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

* Resolution 62-R-02 – Lease Renewal for East Apartment, Municipal Service Center – Consideration of proposed Resolution 62-R-02, which authorizes the City Manager to enter into a lease agreement with John Sturtevant for the east apartment of the Municipal Service Center, 2020 Asbury Ave. * APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

* Resolution 66-R-02 – Easement Agreement Assignment – Consideration of Resolution 66-R-02, which authorizes the City Manager to accept an assignment agreement for the existing sidewalk vault and foundation wall easement with Optima Towers Evanston Commercial Condominium Association. * APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

* Ordinance 86-O-02 – Declaration of Surplus Property – Consideration of proposed Ordinance 86-O-02, which declares various City items as surplus property so that the vehicles and other equipment may be publicly offered for sale at the Lake County Municipal Auction on October 5, 2002. * MARKED INTRODUCED – CONSENT AGENDA

* Ordinance 91-O-02 – Regarding the Offering of Vehicles for Sale on the Public Way – Consideration of proposed Ordinance 91-O-02, which would allow the sale of vehicles on the street by persons not engaged in the business of selling vehicles and deletes the prohibition of “For Sale” signs in vehicles parked on the street. * MARKED INTRODUCED – CONSENT AGENDA

* Ordinance 82-O-02 – Providing for Issuance of General Obligation Variable Rate Demand Series 2002 Bonds – Consideration of proposed Ordinance 82-O-02, introduced August 12, 2002, which provides for the issuance of \$34 million in GO Variable Rate Demand Series 2002 Bonds. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

* Ordinance 83-O-02 – Providing for Issuance of General Obligation Corporate Purpose and Refunding Series 2002 Bonds – Consideration of proposed Ordinance 83-O-02, introduced August 12, 2002, which provides for the issuance of GO Corporate Purpose and Refunding Series 2002 Bonds. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

* Ordinance 84-O-02 – Providing for Issuance of Water Revenue Refunding Bonds Series 2002 – Consideration of proposed Ordinance 84-O-02, introduced August 12, 2002, which provides for issuance of \$2.5 million in Water Revenue Refunding Bonds Series 2002. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

* Ordinance 92-O-02 – Interest Rate Cap Ordinance – Consideration of proposed Ordinance 92-O-02, which authorizes one or more agreements to limit the interest rate to be paid on a portion of GO Variable Rate Demand Bonds, Series 2002. * MARKED INTRODUCED – CONSENT AGENDA

* Ordinance 75-O-02 – Three-Way Stop at Crain and Dewey – Consideration of proposed Ordinance 75-O-02, introduced August 12, 2002, which amends Section 10-11-5, Schedule V(C) of the City Code to place a three-way stop at the intersection of Crain and Dewey. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

* Ordinance 76-O-02 – Three-Way Stop at Crain and Darrow – Consideration of proposed Ordinance 76-O-02, introduced August 12, 2002, which amends Section 10-11-5, Schedule V(C) of the City Code to place a three-way stop at the intersection of Crain and Darrow. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

* Ordinance 77-O-02 – Four-Way Stop at Ashland and Payne – Consideration of proposed Ordinance

77-O-02, introduced August 12, 2002, which amends Section 10-11-5, Schedule V(D) of the City Code to place a four-way stop at the intersection of Ashland and Payne. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

* Ordinance 78-O-02 – Commercial Vehicle Weight Limit on Broadway – Consideration of proposed Ordinance 78-O-02, introduced August 12, 2002, which establishes a commercial vehicle weight limit of 8,000 lbs. on Broadway Ave. from Central to Isabella. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

* Ordinance 73-O-02 – Lease Agreement with Voicestream – Consideration of proposed Ordinance 73-O-02, introduced August 12, 2002, which authorizes the City Manager to execute a lease agreement with Voicestream Wireless Corp. for the use of the North Standpipe (2536 Gross Point Rd.) for wireless antennas. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

PLANNING & DEVELOPMENT:

* Ordinance 87-O-02 – Amendment to BOCA Building Code – Consideration of proposed Ordinance 87-O-02, which approves a recommendation to limit the means and procedures for the driving of sheet piling. * MARKED INTRODUCED – CONSENT AGENDA

* Ordinance 74-O-02 – Granting Landmark Status to the Property at 3200 Harrison St. – Consideration of proposed Ordinance 74-O-02, introduced August 12, 2002, which would grant landmark status to the property at 3200 Harrison St. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

HUMAN SERVICES:

* Ordinance 79-O-02 – Amending the Retail Tobacco Ordinance – Consideration of proposed Ordinance 79-O-02, introduced August 12, 2002, which amends the Retail Tobacco Ordinance to prohibit self-service displays and require tobacco holders to demonstrate control of premises. * ADOPTED CONSENT AGENDA AND ROLL CALL (9-0)

OTHER COMMITTEES:

* Resolution 67-R-02 – Third Amendment to Redevelopment Agreement – 1881 Oak Ave. – Consideration of proposed Resolution 67-R-02, which authorizes the extension for the foundation date for 1881 Oak Ave. until October 31, 2002. * APPROVED – CONSENT AGENDA MOTION AND ROLL CALL (9-0)

APPOINTMENTS:

Mayor Morton asked for introduction of the following appointments:

Linda Cooper 1500 Chicago Ave.	Commission on Aging
Mary Friedl 1313 Cleveland St.	Commission on Aging
Blair Laden 1864 Sherman Ave.	Commission on Aging
Ellyn Vogel 2035 Harrison St.	Commission on Aging

Derek R. Supple 912 Hamlin St.	Environment Board
Sara Ashmore Diggs 2014 Dodge Ave.	Housing Commission
Lisa M. James 801 Monroe St.	Housing & Community Development Act Committee
Jill M. Dressner 1410 Chicago Ave.	Human Relations Commission
Heather N. Crabtree 2122 Dewey Ave.	Taxicab Advisory Board

Mayor Morton asked for introduction of the following re-appointments:

Linda DeWoskin 1121 Dobson St.	Library Board
Jean M. Perry 2200 Bennett Ave.	Library Board
John F. Vail 2310 Central Park Ave.	Library Board

Mayor Morton asked for confirmation of the following appointment:

Michael R. Ginter 704 South Blvd. For term ending September 15, 2005	Parking Committee
--	-------------------

* APPROVED - CONSENT AGENDA

REPORT OF THE STANDING COMMITTEES

ADMINISTRATION & PUBLIC WORKS:

Approval of the lowest responsive and responsible bid of Leisure Equipment Inc. for 10 right-hand drive vehicles plus warranty and service manuals for the Parking Enforcement Division of Public Works at a cost of \$268,350. Alderman Jean-Baptiste reported that this item was held in committee.

Alderman Jean-Baptiste moved approval of Contract Revision #10 with Meyne Co. for the Levy Courtyard Project for Parks/Forestry & Recreation, for an increase of \$498,687. Funding is from original project appropriation and Rothschild Foundation grant. Seconded by Alderman Rainey.

Alderman Jean-Baptiste reported the committee vote was 2-2; discussion dealt with whether the expenditure of \$640,000 for this project was necessary. An explanation was given that \$250,000 is from TIF funds and \$367,600 from the Rothschild Foundation grant. He said there is a connection between getting the grant and spending the \$250,000 and supported this proposal.

Alderman Moran explained the budget for the enabling garden, to be built in the courtyard, is now at \$642,000. Design

costs have been spent that are not incorporated in the \$500,000 that is being asked to be allocated for the build portion of this project. The request that evening was for \$500,000. He said generous grants have been received from the Rothschild Foundation of about \$400,000. What is being asked is that the City put in \$250,000 to fill out the full cost of \$642,000. When the project was originally explained, he recalled the A&PW Committee was told to proceed towards a build phase that the foundation grants would cover the entire cost and voted for the concept because the City would not have to spend extra funds. His perception of this request was that they have gone from \$400,000 to build to \$642,000. He does not know what it costs to build an enabling garden, but with the City confronted with fiscal challenges he thought spending 2/3 of \$1 million, when required by the City to kick in \$250,000 to achieve the project was too much. He found the committee discussion confusing; did not recall a match requirement for the original \$368,000 grant. They were told something that sounded like a match and supposed to have contributed this amount of money, therefore the foundation would give the money. He has seen no documentation. They were told the Rothschild Foundation representatives reviewed and approved this design. There was some difference of opinion as to whether it must be this design. The question is does it have to be this design to get built? He said they have a \$400,000 project without the City's contribution and a \$642,000 project with the City's contribution. He presumed the City and the Rothschild Foundation have the flexibility to value engineer this project and to come up with something that requires a far smaller contribution from the City to build a nice enabling garden. He assumed \$400-500,000 would build a nice enabling garden; thought they should try to save some money; suggested they vote against this not because a vote against would defeat the ability to build the garden but is a question of design and cost.

Alderman Rainey stated the City budgeted \$250,000 for landscaping at the new Levy Center, which was designed and built from TIF dollars. The \$250,000 designated for landscaping and the courtyard is TIF money. Then the Rothschild Foundation heard about the new center and the plan for the interior garden space of 9,000 square feet. Staff and seniors came up with a spectacular design. The Rothchild Foundation said the design was not bad, but they give money to enabling gardens with enhanced landscaping and special features. They would give \$368,000 to be added to the City's \$250,000. This will be a model for other communities. If this building caved in that evening, they could not spend a penny of this money to fix it. This money is earmarked for the Levy Center. People hearing the argument would ask how can aldermen spend over \$600,000 of tax money to build an enabling garden. She said that Alderman Moran misrepresented what is going on. The \$250,000 was not extra money and is part of the \$8 million budget for the Levy Center. The Rothchild Foundation came along to enhance the enabling garden plans. The enabling garden in the 9,000 square foot courtyard will have lighting, furniture, plumbing, and irrigation system – an outdoor living space enhanced by an enabling garden. If this grant is not spent, it returns to the Rothchild Foundation. This money cannot be spent for any other City need. A sad thing here is that the Rothschild Foundation is not used to having their grant money be controversial. People usually embrace this kind of generous grant with appreciation. This is foundation money given by donors, who then determine worthy projects and this is a worthy project. She encouraged all to support this final expenditure, which will make the project whole.

Alderman Newman said Alderman Rainey's remarks were correct. His frustration from the beginning of the Levy Center project is a concerted effort to convince the community that the project was mismanaged. He reiterated that the only reason they could spend TIF money there was that the Levy Center was moved from the Research Park. That staff got this grant was a tremendous success. The City is spending approximately \$250,000 on the courtyard/landscaping and they got a \$367,000 grant. He said this debate started, whether unintentional or not, to mislead the community. He said on everything that was done to make this an excellent project, there was an attempt to embarrass, impugn Council motives or that Council was not being responsible, which started years ago. He said this is part of a political agenda. This \$250,000, if not used, would sit in a TIF account until 2008 when the TIF ends and then might go to the school districts. He stated that Alderman Moran opposes giving TIF money to the school districts by coming up with restrictions; did not know what he wants. Does he want the \$250,000 to go to the school districts in 2008 or now? He did not want staff to go back to the foundation and not spend the grant. He said if they followed Alderman Moran's idea they could only be embarrassed as a city. He thanked staff, members of the committee and Levy Center staff for trying to achieve excellence for the City in getting this grant and leveraging the \$250,000. He did not want this project to be delayed and urged they go forward. The City is spending \$250,000 on landscaping to obtain a grant of \$368,000 to achieve high quality and something they can be proud of.

Alderman Feldman stated the open space atrium was always a central part of the community's vision of an outdoor space

that could be used for quiet moments, social events and book readings. That vision allowed for the free flow of visual space and the experience of indoors/outdoors. Money was put aside to do that. They had no idea there would be an enabling garden but knew there would be landscaping and furniture. During the summer of 2001 the Rothschild Foundation became interested in the courtyard space as it related to the mission of improving the lives of older adults. The foundation was interested in promoting the concept of enabling gardens to help provide users of all ability levels with better opportunities to participate in the garden experience. Since the courtyard is geared toward the needs of older adults, the foundation recognized this space was an excellent opportunity to incorporate these inclusive and progressive ideas. What they have is the opportunity to have something better than they thought they would originally. The City will have something so unique and wonderful for people to enjoy and it is made possible by two elements: the \$250,000 appropriated and the foundation's grant in conjunction with money the City had appropriated. The foundation did not want to accept responsibility for the enabling garden and everything else. He too had no idea of the cost to build an enabling garden. Landscaping people know and the Rothschild Foundation know because this is not the first time they have funded such a garden, so the \$367,600 in addition to the \$250,000 does not seem outrageous. If they did not think this was going to be put to good use, they would give less. He did not see how any Council member could say they could build the garden for \$250,000 less; did not think anybody knows it. He urged they finish it the way it was begun. This is a credit to the community and this building is one of the best things ever done and to make it right.

Alderman Engelman asked Mr. Gaynor if it was a matching grant? Mr. Gaynor responded the signed agreement has two provisions. One is the foundation will provide a grant of \$367,600 and the City will provide up to \$250,000 for the enabling garden. It also states, if there is a change, it must be mutually agreed upon. Alderman Engelman said if the bid for the enabling garden came in at \$400,000 instead of \$600,000, the Rothschild Foundation would pay \$367,000 and the City would come up with \$33,000. That was not Mr. Gaynor's understanding of the agreement. He said a budget was provided with the Meyne Co. estimate breakdown sheet. The bid was \$494,9600, which the Meyne Co. (general contractor) said the approved plan would cost. Alderman Engelman asked if the Meyne Co., had indicated they would do this for \$400,000, the Rothschild Foundation would have given \$367,600 and the city \$33,000? Alderman Engelman asked if his math was wrong? Mr. Gaynor said this was a matter of the Rothschild Foundation and City agreeing to new terms on expenditures. Alderman Engelman did not want to embarrass anybody, impugn anybody's motives, had no political agenda (although he was elected) and did not wish to mislead anybody. He said this is an 8,500 square foot vacant space and they proposed to spend roughly \$600,000 on this, which is \$80 a square foot. He would vote to accept the \$367,600 from the Rothschild Foundation. If a matching grant, he would seriously consider that. This is not a matching grant the way he would define it. The \$250,000 is TIF money and "real" and can be used only for certain things. If not used for the Levy Center, it could be used for repairs to the Maple Avenue parking garage, which the City is still repairing, for viaducts, which are in need of work with no funding. It could be used for a variety of issues within the TIF district or to pay off bonds. He chose not to use it to build a \$600,000 garden in the middle of a building in the middle of a park.

Alderman Moran would not respond to attacks. He was happy to accept the Rothschild funding; did not think anything besmirches the generosity of this grant. They were told a project line item for the Levy Center and this \$250,000 was for external and interior perimeters of the building. A detailed breakdown of how much was to be spent outside the building and how much on the interior space was not available at the committee. They were told \$5,066.50 out of \$250,000 was for landscaping outside. That said to him that they have \$245,000 available for landscaping the interior portion. In the breakdown, Mr. Gaynor referred to item 0250 Landscaping, Kristy Webber, \$58,361. That told him for a half million dollars there is \$58,000 dedicated to landscaping and that someone decided that almost \$200,000 in City funds would be contributed to the overall cost. He understood the \$250,000 was for landscaping and what they are spending is \$63,000. \$58,000 goes to the interior so that left \$198,000 of City funds not going to landscaping that somebody committed to build an enabling garden. He did not think that was the agreement; suggested they do value engineering on that and that was not what he heard before that evening.

Alderman Feldman read from page one of the data sheet: Following completion of Phase I, the City applied for and received a second grant (not to exceed \$367,600) from the Foundation to supplement previously allocated City funding for Phase II design and project construction. Alderman Moran said it was \$58,200 on page two. Alderman Feldman said this was Phase II, completion of the building and interior, which is \$250,000. He said that was in the grant that the \$367,600 would supplement what was already put in and that they would have to spend anyhow. Alderman Feldman said

Alderman Moran was suggesting this was not the right price. He asked Mr. Gaynor how the design was developed?

Mr. Gaynor said when the concept began to be discussed, they visited the Chicago Botanic Garden where there is an enabling garden. During that time they became aware of a manager at the Botanical Garden who helped them develop the enabling garden. The cost for his services was under Chicago Botanic Garden Phase I design review services \$5,000, which was paid for from the foundation grant. They continued using his services with another \$5,000 for Phase II of the design. When first discussed, the City asked the foundation to fund the conceptual design, which was Phase I. Because they did not have a commitment from the Rothschild Foundation to fund the project, which they knew would go well beyond \$250,000, the City wanted them to fund the conceptual design and bring online a consultant, which occurred. They had a conceptual design, meetings with the Levy sub-committee members and the process continued until they had an formal agreement with the foundation and the City with a commitment to fund the full grant. The numbers came from the landscape architect, Wolff Clements, who worked on the project. Throughout the process, Levy Center members, sub-committee members, staff and the Human Services Committee viewed the conceptual design.

Alderman Feldman asked if the landscape design incorporated the entire space? Mr. Gaynor said this is a design for the entire courtyard area. When they were doing the design build, as well as outside landscaping, a few other components were not included in the original project. They were guesstimates at the time. He had only one set of color schematics. Alderman Feldman noted the landscape architect reported estimates of cost and asked if he was aware of the budget? Mr. Gaynor did not believe there were any cost estimates in Phase I. When the project started, the decision was that the City would design the courtyard. Staff did several conceptual designs, which were presented to the sub-committee and one accepted with a few modifications. After that they became professionally designed concepts referred to in Phase I. Alderman Feldman said they knew the City was going to spend money to finish and furnish the courtyard. Mr. Gaynor said the original plan was that the City would use the \$250,000 to landscape the courtyard and exterior of the building. The reference to the \$5,000 spent on the exterior was for plant material only, which was installed by the Forestry Division at considerable savings. Alderman Feldman said it seemed they knew a certain amount of money in that did not include an enabling garden and if an enabling garden were included, the foundation would supplement that with \$367,600. Mr. Gaynor did not think they indicated a number but a willingness to modify and expand and consider an enabling garden as part of the overall development of that project. They would fund it. The foundation executive director was at all the design meetings and when the cost estimates came, the agreement was reached. Alderman Feldman said if one had to do it, one could allocate City expenses of \$250,000 for things incorporated in that space that may not be part of the foundation's grant, things they might have had to do anyhow.

In response to Mayor Morton, Mr. Gaynor said no monies from the grant would be used to maintain the garden. The Garden Council and Garden Clubs have volunteered to do maintenance and a club is being formed by Levy Center members, who will perform maintenance. He said the enabling garden is a series of planter beds at different heights that enables individuals who may or may not have disabilities to garden. There are many pieces in an enabling garden that are camouflage for rehabilitation. People are outside, use different muscles during planting and have an opportunity for the senses beyond smell -- such as feel. There are prairie and butterfly gardens in various areas throughout the courtyard that provide different experiences. Mayor Morton asked if this was similar to the gardens in Twiggs Park? No. She said that people in wheelchairs can garden there because they have raised beds. The enabling garden will allow people in wheelchairs, with walkers, etc., to garden. The consultant from the Botanical Garden, who is in a wheelchair, was sensitive to every piece being accessible and made a number of modifications.

Alderman Jean-Baptiste called the question. Seconded by Alderman Wynne. Motion carried. No nays.

Roll call. Voting aye – Rainey, Feldman, Newman, Jean-Baptiste, Wynne, Bernstein, Kent. Voting nay – Engelman, Moran. Motion carried (7-2).

* Resolution 63-R-02 – Northwestern Homecoming Parade – Consideration of proposed Resolution 63-R-01, by which the City Council accepts liability for the temporary closure of Sheridan Rd. for Northwestern's annual Homecoming Parade on October 25, 2002.

Alderman Jean-Baptiste moved approval. Seconded by Alderman Engelman.

Alderman Jean-Baptiste reported Alderman Rainey had asked whether the City accepted full liability without backup from Northwestern University. During the meeting staff provided a hold harmless agreement whereby Northwestern University accepts liability up to \$1 million.

Voice vote. Motion carried.

Ordinance 48-O-02 – Increase in Class B1 Liquor Licenses – Consideration of proposed Ordinance 48-O-02, which increases Class B1 liquor licenses with the change in classification for The Keg, Inc., dba The Keg, 810 Grove St.

Alderman Jean-Baptiste moved approval. Seconded by Alderman Bernstein.

Alderman Rainey stated liquor licenses are a privilege not a right and Council has an obligation to carefully scrutinize those to whom the City issues licenses, especially those given extraordinary privileges and a 3:00 a.m. license is an extraordinary privilege. She knows the City has extra police at establishments such as The Keg and its area at closing time to diffuse unruly activity. She believed that extra police power being taken away from other residential areas here is a threat to civility in some neighborhoods. She reported in the last 24 hours in the 700 block of Howard there was a stabbing and a shooting. She said that afternoon bullets went through the window of the beauty shop that has been there for 15 years and this violence is an indication they will have more violence in various areas. She called the 3:00 a.m. closing the worst idea the Chamber ever had.

Alderman Bernstein said the genesis of expansion of hours was the result of budget deliberations and trying to get businesses to do what they do and generate revenue. Evanston is a preeminent community for restaurants and entertainment and alcohol is part of that. He agreed that what The Keg and others were asking for is an extraordinary privilege. He noted the community has benefited by The Keg. He was frustrated that every activity at closing time has been attributed to The Keg. He said the reason The Keg has so many calls is they call the police and participate in sting operations to address the underage drinking problem. He preferred no problems in downtown and that police be in neighborhoods preventing vehicular and garage burglaries and violence. He said balance was needed. The City has allowed several establishments near The Keg to have a 3:00 a.m. licenses and people ask why they are picking on The Keg. A letter from Tom Ofischl asked that The Keg be given privileges granted previously to other establishments. He said the Keg is the only business within two square blocks that does not allow their employees to feed meters, a major concern of retailers. Tom Ofischl said the Keg has been a good neighbor for 11 years and he supported extended hour liquor license. Alderman Bernstein stated the Keg has provided food and employment and fed all that come to the community picnic for five years and are good citizens. He acknowledged alcohol has inherent problems and agreed those who dispense alcohol must be held to the highest standards and the Keg has done that. He said originally he wanted to extend this license because the city's fire and police officer patronize the Keg and spend money here. He said they would hold the Keg to the highest standards as they do for all and no reason not to do for them than for others.

Alderman Rainey reiterated that people who drink there are irresponsible and unable to control themselves when they leave. They are not coming from Pete Miller's. She said there have been many incidents resulting from drinking at The Keg and it is an establishment that attracts certain kinds of people. She pointed out there are robberies in the community late at night and a lot of the activity at The Keg has subsided because police are circling that area when they close. Those police cars could be in neighborhoods. She meant no harm to the reputation of The Keg's owner and recognized he has given much to the City, but that was no excuse for what goes on. She suggested that Alderman Bernstein park nearby and watch what goes on, see how many police cars are there. She thought it unfortunate that liquor license hours were expanded. There was never discussion on this, but on extending privileges in grocery stores where there has never been problems. She recognized she was the only person on Council who felt this way, but not the only person in the community who thinks that money is so important that hours have to be extended to 3:00 a.m. Alderman Newman wished to get the police cars circling in downtown Evanston.

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

Ordinance 49-O-02 – Decrease in Class B Liquor Licenses – Consideration of proposed Ordinance 49-O-02, introduced May 6, 2002, which decreases Class B liquor licenses with the change in classification for The Keg, Inc., dba The Keg, 810 Grove St.

Alderman Jean-Baptiste moved approval. Seconded by Alderman Bernstein.

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

Alderman Rainey raised a point of order. She said to representatives of The Keg, because there is concern that there is more they can do, they know there is a problem. They have a responsibility to the community and a huge responsibility due to their liquor license. There is the Dram Shop Act even though they may think the person who owns the bar has no responsibility. That is why it is a responsibility and not a right.

PLANNING & DEVELOPMENT:

Ordinance 88-O-02 – Extension of Special Use Permit for Sherman Plaza Planned Development – Consideration of proposed Ordinance 88-O-02, which approves the request of Sherman Plaza Venture LLC to extend the Special Use Permit for the planned development of Sherman Plaza for a nine-month period.

Alderman Bernstein reported a committee amendment extending the special use for a four month period instead of nine months. On page two, Section 2, instead of extended until June 30, 2003, the date would be January 20, 2003. He moved approval of this. Seconded by Alderman Newman. He asked that the ordinance be marked introduced as amended.

Ordinance 89-O-02 – Amendment to Property Maintenance Code – Consideration of proposed Ordinance 89-O-02, by which the City would establish a registration system for vacant buildings and set standards for securing same.

Alderman Bernstein reported that this item was held in committee to be returned when ready.

Ordinance 90-O-02 – Special Use for 2201 Oakton (Type 2 Restaurant) – Consideration of proposed Ordinance 90-O-02, which approves a recommendation of the ZBA to grant a special use to permit a McDonald’s “snack station kiosk” in Home Depot.

Alderman Bernstein asked that Ordinance 90-O-02 be marked introduced and referred back to the committee for additional information.

Ordinance 81-O-02 – Amendment to Landlord/Tenant Ordinance Reducing the Interest on Security Deposits – Consideration of proposed Ordinance 81-O-02, which amends the Landlord/Tenant Ordinance to reduce the interest on security deposits.

Alderman Bernstein moved approval. Seconded by Alderman Wynne.

Alderman Newman reported that a landlord called him and pointed out that interest he could obtain was substantially lower than what the City ordinance required him to pay. So he put it on the P&D Committee agenda because a constituent had asked for public discussion. He regretted that staff distributed a citywide notice for the meeting that evening, which said a couple of landlords lobbied the P&D Committee with the inference that there was something shady about what went on here. In addition, the notice said that tenants must attend to get their voice heard. The notice was not neutral and was unfair. An issue raised at the P&D Committee was that tenants did not get enough notice so the committee wanted them notified. Another question raised was whether the City acts fairly in treating landlords/tenants. He hoped they do. He suggested these notices should be reviewed in the City Manager’s office. He regretted that happened because the committee considered this issue as honestly as they could and reached out to all. They wanted the

notices sent in order to receive comment. Others agreed with his interpretation. The notice was unfortunate and unnecessary. Anybody who has an idea, whether landlord or tenant, deserves to have a public hearing in committee. If an idea has merit, consider it because interest rates are at 1-1/2% and not 5%.

City Manager Crum apologized and took responsibility for it.

Alderman Rainey said she and landlords lobbied others, but she never felt besmirched by it. With exception of a few outrageous situations involving tenants where the City has gone to their defense, she said that tenants are intimidated by the vacancy rate, which is low, and units are desperately sought, so tenants don't want to upset the landlord. She was a founding mother of the old Tenants Organization of Evanston (TOE); has extraordinary experience Alderman Newman does not have with tenant activities. (Alderman Newman served on the TOE board.) She said that Alderman Newman is a brilliant lawyer and knows about divorce law, but even then she knew more than he about tenants. The problem she saw, if they were going to address security deposits, was they show bias when they decrease interest paid to tenants because tenants don't get the 5% interest required now. She saw it as a positive thing that landlords start paying .0833%. She suggested 2%, a flat rate to keep it simple. Some large and small landlords don't return security deposits or even a partial amount. One example: a tenant has rented an apartment for 10-years and the landlord retained money in order to paint the apartment, which is illegal. That is done and tenants don't report it. She said the Human Relations Commission gets 140 complaints annually, which is nothing. If the City really cared about tenants or fair treatment of them, both issues would have been examined first. Security deposits are allowed at 1½ times the monthly rent. If a tenant rents an apartment for \$1,200, that tenant has to cough up \$3,000 and a rent of \$1,500 means a deposit of \$3,750 to walk in the door. She recommended they amend the landlord/tenant ordinance to reduce the maximum security deposit to one-month. A landlord should not be entitled to sit on more than one-month's rent. The committee elected to focus on one issue because the squeaky wheel gets the grease. She received only two or three letters from tenants. She said that tenants here are the most disorganized element. With all the neighborhood groups here, nobody is attending to tenants. The only one who has dealt with tenants was Alderman Kent and the student population. She made a reference to the P&D Committee to consider the one-month security deposit in the landlord/tenant ordinance. She moved to amend the ordinance to pay 2% interest on security deposits. Seconded by Alderman Jean-Baptiste.

Alderman Newman opposed the 2%. When he was on the TOE board, all complaints from tenants were done privately by TOE. Now it is done at public expense, which indicates a strong public commitment by City Council for tenants rights. The City has invested huge amounts of money in the 8th Ward in bad buildings where landlords have taken advantage of tenants. Tough enforcement policies are pursued aggressively throughout the City. He opposed the 2% amendment because it hurts tenants. The reason they went with the floating rate is that interest rates change. The 5% rate was not changed for 11 years. If they put it at 2%, when interest rates go up tenants will be shortchanged. The purpose of the amendment, is with interest rates changing, that when they go up tenants get the benefit of the change.

Alderman Rainey asked them to explain how tenants will know the interest rate and prevent 1,000 tenants from calling the City with different rates? Alderman Newman asked when the rate is calculated how will this information be disseminated? Alderman Bernstein responded that the City will have the new rate published once a week for two weeks in two or more general circulation newspapers. The Human Relations office will publish a free pamphlet distributed at government offices and on the City's website. Alderman Newman was confident that the message could be gotten out.

Alderman Rainey questioned whether that evening's meeting notice was received by all tenants; asked what the landlords put in the lease and when do they calculate the rate. Alderman Bernstein noted this is a Landlord/Tenant Ordinance, not just a tenant ordinance, and the entire ordinance is under review. The Human Relations Commission has brought certain aspects of it and the committee is waiting for them to come before them. Alderman Bernstein referred to Section 5-3-5-1, Section B, which describes security deposits and prepaid rent with specific dates; said it a question of education. He was somewhat offended by several landlords who lobbied the P&D Committee; listens to all and would not support the amendment.

Alderman Engelman favored a specified rate because it is easier to understand. He agreed that tenants are reluctant to assert their rights and would be more confused whether or how much they are entitled to with the floating rate where they might have to look at some other publication to find out what the rate is, than if they know it is a flat 2%.

Alderman Rainey asked what the model lease will say about the interest rate? Alderman Bernstein thought it would be codified in the lease. She said if in three months the interest rate goes to 9%, they simply would amend the ordinance and when something is complicated it gets screwed up. She did not think any landlord would oppose a 1% flat rate.

Alderman Jean-Baptiste thought the P&D Committee did a good job; lead to action and provided some equity to landlords because the 5% they were obligated to pay was too much relative to current interest rates. He said the question of equity is not always a question of treating tenants equal to landlords. He agreed that some landlords who don't return security deposits or pay 5% interest shortchange tenants. The proposal to have the interest rate float and the City to put out notice consistently will cost too much if the interest rate keeps fluctuating. He thought the 2% flat rate was fair. True that landlords are shortchanged by tenants who don't pay rent, but at the same time, usually the tenant gets shortchanged on the security deposit. He did not think the floating rate was fair to tenants and the kind of control they would have with a flat rate. He supported the amendment.

Alderman Feldman said that without a consistent rate, the accounting would boggle the mind. This would have to be written down and a statement given. If a flat rate is established, all know it. He was more worried about return of security deposits and if he could ensure that all security deposits were returned, he would not care about the interest rate. He acknowledged that security deposits are high. He could easily see repairs costing \$1,800. He asked what an owner is to do when somebody moves out and faces \$3-4,000 of work to make the place presentable? That was not easy to decide. He favored a consistent rate.

Alderman Newman said some were not in touch with the way the ordinance was drafted. He said the committee was trying to be fair. There has been a substantial period of time when landlords could not earn 5% and other times when the interest was higher. This was the only time since he has been on Council that this has been discussed. Over time, different Councils and aldermen lose track. They have institutionalized the rate. All they tried to do was in the interest of landlords/tenants. He pointed out with a flat rate they have to come back annually and pass an amendment and notify everybody. If this ordinance stays in place, when rates go up, tenants will automatically get more interest. This was based on the Chicago ordinance and Chicago is surviving.

Alderman Bernstein acknowledged that P&D did not address whether tenants get their security deposit returned. The entire ordinance is under review. This interest rate is based on Chicago's and Evanston will mirror their rate. He thought it fair to give what the market is paying to the tenant, and most important, that what is due to the tenant, is delivered.

Alderman Rainey wished to amend the amendment with a sunset provision that the ordinance be looked at in one year. She pointed out when the interest rate was a lot higher, no landlord ever came to Council and asked that a higher interest rate be paid to tenants. When a tenant gives an \$1,800 security deposit to the landlord, the tenant might be able to do better than the current 5%. She said there are ways to make 5%. The tenant has placed a chunk of money with the landlord and 2% was easy. Give it one year and if it doesn't work fix it. She noted they were going from 5% to nothing. The current rate is .83%. She said Evanston is not like Chicago, which has exquisite landscaped medians and an abundance of employees. There was no second.

Alderman Bernstein called the question. Seconded by Alderman Wynne. Motion carried unanimously.

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

Alderman Moran called the question. Seconded by Alderman Wynne. Motion carried. No nays.

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

CALL OF THE WARDS:

7th Ward. Alderman Engelman reported numerous e-mails and phone calls regarding an increase in criminal activity in the ward. Due to the holidays he was not able to respond. He wanted all that live in the 7th Ward to be assured that

the City Manager and Police Chief are fully cognizant of what is going on. Every effort is being made to address the situation. He would respond to constituents over the next few day and wished everybody a happy new year.

8th Ward. Alderman Rainey reported that on Sunday Ed Gold was honored by naming a portion of Mulford St. in front of Leah Lomar Park in his honor. He came with his family and many neighbors and it was a wonderful, happy event.

She noted that Howard St. is heating up again. She knows some communities sweep crime problems under the rug, but her approach is to remind people that terrible violence and crime exist and something has to be done. According to the daily crime report, guns are being used or taken away from people here. She said there are too many guns here. The Gun Buy Back Program two years ago resulted in collecting 76 guns. People said those were not guns that would have been used to shoot people. There was a shooting at 2:45 p.m. that day on Howard St. with bullets coming into a beauty shop and the shooting had nothing to do with people in the beauty shop. That should not be allowed here. She said it is no better than on the south side of Chicago where gangs are rampant. She urged them to stop tolerating it. She asked the Police Chief to go there with her the next day and hoped most of this activity is on tape. She said that tomorrow during the day and at night there would be a presence of decent people on Howard St. She urged people who have troublemakers in their families to talk to them and to stop overlooking this. Someone in the 8th Ward, who has a scanner, told her they heard a person was stopped who had 67 arrests and 17 convictions. She said Evanston has a serious problem, is out of control and they need to get a handle on it. Eight-ten incidents in a week are too many. Something has to be done. A beautiful new streetscape has been put in and people show no respect. She asked the police for zero tolerance and to enforce the curfew.

9th Ward. Alderman Feldman – No report

1st Ward. Alderman Newman said during the debate on the Levy Center, it was implied that they were wasting money on that facility but staff has not told them of a viaduct project that needs funding or of needed garage repairs. He said that the \$250,000 would sit for nine years if not used and released in 2009. In terms of the August 26 budget session, an unfortunate occurrence was a statement made that the Council did not bite the bullet. He thought Council did to a large extent. The same people who said they did not bite the bullet were sponsoring a \$20 million project with no funding to rebuild the Civic Center. He said it is easy to oppose the budget at budget time and oppose increases in real estate taxes. Then they are told at a public meeting the Council did not bite the bullet and want to spend \$15-20 million on the Civic Center without any funding source. What is done during the year affects budget time. He thought the education in the small community meetings ought to be that tax bills are the result of a complicated formula. He was not sure taxpayers are concerned about what is being spent on individual items, but care if there is overspending and about their tax bills. The Sunday *Tribune* showed that Evanston has had one of the highest rates of increase in property values among communities on the North Shore. When property values go up, taxes will go up at re-assessment time. There will be winners and losers. People need to be educated about the effect of the various factors. A person cannot be in a \$300,000 home in 1993, which today is worth \$800,000, and not expect the tax bill to go up. If the rate of increase in property has been greater than other taxpayers', they reallocate. Last year, Evanston went from a median of \$225,000 to \$275,000, more than 20%. Evanston has never done better and it is because there is a lot happening downtown. There is excellent public transportation and investment of large resources in the crime area. He noted there were 7,500 crimes in 1997 and some 4,000 crimes in 2001. The Police Department has done a great job and there may be other factors but Evanston is trying. That does not mean that there could not be improvements in some neighborhoods. Alderman Newman made a reference to the Rules Committee to start a Civic Center Committee, open to any alderman who wished to serve.

Alderman Newman suggested that better public information is needed on why Evanston closes its beaches. There is confusion when it is 90°F and the beaches are closed. The City needs to be proactive and educate people about liability issues, inability to get lifeguards and its responsibility to provide safety on the beaches.

He was glad the CD Committee supported the Dewey and King Lab playgrounds. When the playground opened at Dewey, there were some 200 children with all equipment in use. What was done there improved the neighborhood for everybody and made it safe for all children who go to Dewey. It has been done at other schools and is a win-win. He said the children appreciated it and thanked Council for its support.

2nd Ward. Alderman Jean-Baptiste thanked Paula Haynes for the report on the work of the Human Relations Commission recalling criticism in the Rules Committee about not getting reports. He advised the City Manager to make sure that staff leadership get minutes of the Rules Committee so they can respond. He asked the City Manager again for a breakdown of top-level staff diversity, what the City is doing to help people advance because some could be promoted to assume greater responsibility. He asked to be informed when he would receive that information. He had also asked the City about extending service to ethnic populations. He said crime in the community is important and urged they look at what is done at the front end so that youth have positive guidance such as the summer youth job training program or other forms of intervention. He stated that Jessie Jackson often says that prevention is cheaper than enforcement. He did not think a police officer on every corner would help if there is a group not getting the proper foundation. In the 2nd Ward a young man was shot after a police car nearby left. He urged community development that takes into account human development.

At the budget retreat, he mentioned that Mamie Smith reported that over the past 25 years, more than \$25 million in CD funds has been invested in the 5th Ward and not much has changed. He urged them to look at job training and integrating Evanston workers. He does not see black workers at many job sites.

He said the week was significant and would commemorate a major attack on the United States. People will reflect on what is important and human beings here are most important as are human beings around the world. Linked to this is preparation for war with Iraq. Citizens play a significant role in determining that. He said there is much silence and unless people are proactive somebody will make a decision for them to take a direction they don't want to go. He asked them to think deeply about issues affecting all.

3rd Ward. Alderman Wynne thanked firefighters for their quick response to a house fire on Judson with no injuries. She, too, was concerned about the beaches; said she was driven out of the water by the park ranger. She went into the water with her children and it was 90°F. She wanted to understand why the park ranger comes and makes everybody get out of the water; did not think that was good community relations and that people need to be educated. She wanted a clear idea of the policy about beaches and to decide whether people can swim at their own risk after Labor Day. She said about 100 people had to come out of the water at Clark St. at 4:00 p.m.

4th Ward. Alderman Bernstein said the beaches are closed and people swim at their peril. He urged people to be careful and that they cannot beat Lake Michigan. He wanted larger signs with skull/cross bones warning people of danger. He noted the Landlord/Tenant Ordinance states the maximum security deposit is 1½ months rent and the six-month portion can be paid over six months in equal payments.

He announced a 4th Ward meeting Thursday, September 12 at the Civic Center. He thanked Paula Haynes, Police and Fire departments for the CommUNITY Picnic; said the children have a good time and get to see police/fire officers in a different setting. They even saw firefighters rappelling down the turret wall. He reported the Housing Commission was at the P&D Committee and is considering affordable housing. They have requested a task force be appointed to deal with that issue. He announced the Albany Care Art Fair on September 20 from 11:00 a.m. to 3:00 p.m. in Grey Park at Main/Maple. He wished those observing a happy new year.

5th Ward. Alderman Kent repeated his reference to the Parking Committee to consider modifying the residential only parking districts for unique areas.

He said the hardest thing to teach people is patience. A year and a half ago, members of the Westside Residents Association engaged in a conversation with Onyx Waste Services about improving the quality of life in the 5th Ward. Now they are beginning to see the fruits of their labor. Thursday, September 12, at 7:00 p.m. at Family Focus, Onyx senior staff will meet with the infrastructure group of the Plan Commission, Westside Residents Association and neighbors to talk about landscaping and covering the facility. Odor control will be an improvement. With a lot of people pushing, they will see an exciting improvement.

He announced that on September 21, Robert Crown playing fields would be open for flag football, starting at 8:00 a.m. and ending at 4:00 p.m.

6th Ward. Alderman Moran – No report

There being no further business to come before Council, Mayor Morton asked for a motion to adjourn. The Council so moved at 1:12 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.