

CITY COUNCIL

February 4, 2008

ROLL CALL - PRESENT:

Alderman Holmes
Alderman Moran
Alderman Tisdahl

Alderman Hansen
Alderman Wollin
Alderman Wynne
Alderman Bernstein

A quorum was present.

**NOT PRESENT AT
ROLL CALL:**

Aldermen Rainey and Jean-Baptiste

ABSENT:

Mayor Morton

PRESIDING:

Mayor Pro Tem Wollin

City Clerk Mary Morris announced that in the absence of Mayor Morton, nominations for the election of a Mayor Pro Tem were in order and that, in accordance with Council Rule 14.7, Alderman Wollin is next on the list of aldermen by seniority who have not served as Mayor Pro Tem.

Alderman Moran nominated Alderman Wollin and moved that the nominations be closed and that Alderman Wollin be elected Mayor Pro Tem. Seconded by Alderman Holmes. Motion carried. No nays.

A SPECIAL CITY COUNCIL meeting was held, Monday, February 4, 2008 for the purpose of conducting a public hearing on the 2008-09 proposed budget and was called to order by Mayor Pro Tem Wollin at 7:28 p.m. in the Council Chamber.

Public Hearing

Althea Teamer, 1408 Ashland Ave., supported programming at the Mason Park Field House. She is a Chicago public school teacher and Girl Scout leader who works with middle school children. She stressed the importance of constructive play, good supervision and a safe place for youth. On January 25, there was a gathering of middle school youth that were involved in activities and engaged in games that worked well at this center. She asked for investment in youth.

Jim O'Neil, 1509 Washington St., has been involved in Evanston baseball activities for eight years. It is important to have a place for children to go after school with proper supervision. He supports funding for Mason Park programming.

Jessica Clarke, 1506 Florence Ave., pointed out that Evanston police calls and activity increased by 50% in the neighborhood over the last year at Mason Park and Penny Park. At a focus meeting at Mason Park on January 25, 40 kids came. 23% heard about the meeting at school, 16% learned about the meeting from posters and flyers and only 7% learned about the meeting from their parents. She suggested that funding begin March 1. The Mason Park Neighborhood Association is applying for funds from Rotary International, Evanston Community Foundation, the Evanston Woman's Club and major sporting stores. Funding must be at least \$100,000. Two staff are necessary. Cuts of 10-30% will limit the effectiveness of the program. She encouraged full funding to meet community needs.

Junad Rizki, 2767 Ridge Ave., said if Council wants his "yes" vote on the referendum question, he wants an apology for putting the affordable housing referendum on last year. The City claims that elm trees have no value. If lost it would be \$3.5 million in asset value. No Council member has asked about the Emerald Ash Borer on the ash trees, which will entail spending several thousands to cut down trees. There is "monkey business" on the elm trees. Money was put aside for injecting the trees and should be in reserve. He has not seen where the sustainability coordinator funds will come from in the budget. Council members continue to put things in the budget that are of little value to citizens.

Alderman Rainey apologized for putting the referendum on the ballot at the last election.

Pat Corirossi, 1640 Maple Ave., referenced information provided by Bill Smith posted to the *Evanston Now* website and asked for answers to her questions. Evanston City staff has increased by 3.5% since 2000, while the population has grown by only 1% during that time. Why has City staff grown faster than the population growth and what actions are being taken to correct this? Evanston's General Fund spending in several categories, excluding libraries and parks, was compared to spending to Skokie and Arlington Heights (communities of comparable size). Evanston is expected to spend \$978 per resident this year; Arlington Heights spends \$769 and Skokie is at \$610. Why is Evanston's General Fund spending per resident to deliver services significantly higher than those municipalities and what is being done to use them as benchmarks to reduce spending? She compared spending in the city administration, human resources, police, and finance to these communities; stated less is spent on fire services with less land to cover but the fire insurance rating is a 3, which is behind the Skokie and Arlington Heights fire insurance rating of 1. What can be done to boost Evanston's fire insurance rating without adding to costs? What can be done to recover more of our spending via user fees or other means in the Parks/Forestry & Recreation Department? She noted the pay of the mayor and aldermen is greater than in Skokie and Arlington Heights (except the Mayor in Skokie). She noted that Arlington Heights and Skokie do not provide health insurance coverage to part-time officials and asked why the City continues to provide this benefit to 8 of 10 officials that totals \$100,000 annually. She asked the City Manager and City Council to spend more time dissecting every line item of the budget and to do benchmark comparisons of Evanston's spending to other comparable communities to determine best practices. As they look at a possible economic recession and, in light of the pension funding problems, the City may be best served by cutting services and staff for the short term.

Mary Kay Monaghan, Chicagoland Apartment Assn. (Schiller Park), strongly supports code compliance (noting there is a cost to get compliance). The Association did not mind a modest fee and would pay their fair share for licensing. The proposed licensing of rental units would generate \$500,000. It is in everyone's best interest to maintain buildings in good condition. However, before saddling renters with a fee, she advised Council to look at case law. A Cahokia court struck down such an ordinance because the set fee did not bear a relationship to the cost of regulation. She hoped that code compliance is the focus of pressing for a database and not to raise revenue. She pointed out that owner information on a two unit building is much easier to obtain than one with 200 units. Chicago charges \$10 per building, not on units. She suggested with 14,000 rental units, landlords that comply be given an extension on inspections. The City has to use resources on the most egregious cases such as the Landlord-Tenant Ordinance, which is a terrific tool. She suggested that a program be established based on buildings, not units and there be a reasonable relationship to cost.

Tom Doyle, 1109 Washington St., asked for support of elm trees because they provide a substantial economic benefit to the community. He hoped that Council would work to keep injections of elm trees and suggested that homeowners could volunteer to keep the oldest living residents around Evanston.

Mimi Peterson, 748 Wesley Ave., complained about the inability of citizens to speak at the prior Saturday budget meeting. She recalled starting TREE and that local teens joined the effort to save the elm trees and raised more than \$2,000, which they gave to the City to inject lakefront elm trees. Evanston is scheduled to lose 130 ash trees and another 150 the next year and nothing can be done to save them. In contrast, they have a successful program to save the elm trees and don't have to spend money cutting them down. She referred to budget memo #38 that highlights the success rate of the injection program, which is 98%. Parks/Forestry & Recreation Director Doug Gaynor admits to removing 400 trees a season before the injection program. She referred to a 2005 report and the policy was to reserve funds for future elm tree injections. \$350,000 was reserved for the elms this year, yet only \$90,000 is expected to be spent. She was puzzled by the numbers. Once implemented, the City must continue the injections. It makes no sense to use money in another way that would not cover the cost of removal. Evanston has been at the forefront in saving elm trees. Elimination of the injection program won't contribute to making Evanston the most livable city. She urged Council search elsewhere in the budget for \$398,000 and asked for answers to her questions.

Norma Friedemann, 2646 Reese Ave., expressed sadness to let the elm trees die. Evanston has outrageous property taxes. She is worried about all the trees; walks a lot and sees many sick oak trees. A large, beautiful oak tree at the corner of Reese and Hartzell had to be cut down. She urged the City to send letters to residents to spray and water trees and recommended that homeowners get a reduced rate for tree care.

Leigh MacIsaac, 1123 Noyes St., stated she was here on Saturday for hours and it was rude to start the meeting so late. Many don't have the time to come and comment. People tell her how they feel about trees. She had a glimpse of the status report on the injection program for elm trees. Mr. Gaynor did not give the impact of *not* injecting the elm trees. She tried to make a spreadsheet of spending on the injection program. It actually costs less than tree removal. It is shocking that Council would consider ending this program. Have they not considered how upset people would be? Paul D'Agostino told her cutting injections is not a long-term solution. He signed off on this because he didn't want to lose an employee. She understands the long-term pension problem. She recalled that when Alderman Rainey considered the project in 2005, she noted if Council says "yes" they cannot renege on that. Alderman Moran also expressed a similar thought. She asked Council to think about the elm trees and asked Forestry to run numbers.

Nancy Smith, 714 Monroe St., recalled during a thunderstorm two summers ago, a 200-year-old elm tree caught fire. The Fire Department kept it under control. Nicor came out in the wee hours and couldn't find the gas main. Neighbors and the Fire Department found the main and turned the gas off. The tree survived. Nicor was advised by an arborist to take care in digging. When Nicor dug down they disturbed the roots and the tree died. The entire block grieved for the loss of this tree. This is what happens when an old elm tree dies. The cost of losing 400 elm trees a year is \$1.4 million before the injection program and is nothing compared to the emotional loss. She urged continuation of the injection program.

Howard Handler, North Shore-Barrington Assn. of Realtors, reported that more than 500 Realtors call Evanston home and they are concerned about the licensing fee of rental units. Fees should be commensurate with the cost of providing service and cannot be used to generate revenue in the amount of \$449,000 annually. Other municipalities recognize that that the cost of licensing is commensurate with the service. Chicago charges \$10 per building and \$5 in Oak Park. Elgin charges \$25 per building. They are not opposed to a licensing program but have concerns about the effect on both tenants and landlords.

Barbara Janes, 802 Colfax St., spoke about elm trees and pleaded with Council not to end the injection program. Two large elm trees are on their parkway and have been injected. The latest tree that came down had to be replaced. She was not sure that the number of trees cut down includes the cost of replacement. All must be concerned about the quality of life here and trees are a prime factor in quality of life. Citizens value elm trees and want them. She tried to save a maple tree but it was cut down probably because it was not cared for. She supported sending letters to homeowners to make contributions for injections and thought that people would pay 75% of the cost.

Patsy Beneveniste, 400 Ridge Ave., works at the Chicago Botanic Garden; noted that oak trees are afflicted with the gypsy moth disease and will be lost. She was discouraged to be back after the efforts to rescue Evanston's elm trees in the past. She asked Council to please not consider elimination of the injection program for elm trees.

Eileen Culkin, 1910 Lincoln St., found out yesterday about elimination of the elm tree injection program. More people are voicing concern. She lives in a neighborhood that lost 14 elm trees in 2005. She did everything she could to save the elms. Neighbors raised \$22,000 to inject neighborhood elms. She noted the large old trees cannot be replaced with saplings. There are still some elm and ash trees. If the elm and ash trees go, they will have a desert. New trees that replace old trees are a different world, so this isn't a financial issue.

Martha Artson, 1023 Simpson St., works at Child Care Network and spoke about the proposed 25% cut in human services. Families are served by scholarships for child care and mental health needs. She described a mother of four children, their situation and how the divorced mother was helped with therapy and by DCFS. She noted the importance of spending dollars on early care. Every dollar spent on early care compares to \$7-14 spent later on remediation efforts.

Mayor Pro Tem Wollin declared the public hearing over at 8:27 p.m.

General Budget Discussion

City Manager Carroll stated that Council was sent a spreadsheet on Saturday afternoon on two or three revenue adjustments. They recalculated and put in \$30,000 for fire alarm revenue and the Personal Property Replacement Tax of \$500,000. They took out two revenues, the refuse charge increase and the expired meter increase. They added the TIF

transfer back in. Other items were eliminated. Community Development had a net reduction of \$301,000. They are down to a levy of 13.35% with no cuts/revenue options.

Alderman Rainey wanted a discussion on the Fire Plan Reviewer position and was averse to adding staff. Once someone is hired they are here for life. She would not support that. She did not see the plan reviewer position as full time. Chief Berkowsky said the Fire Marshall spends a significant time on plan review; deals with code questions and construction sites. They plan to combine the Fire Marshal position and Emergency Preparedness Manager. So they need to take some work from the Fire Marshal. Last year there was revenue of \$79,000 on plan reviews and they need to adjust the fees.

Alderman Bernstein argued if it is a pass-through why not hire an outside consultant? Mr. Berkowsky explained that the outside plan reviewer doesn't do general plans. For small jobs costing \$65-75, an outside contractor would charge \$300. Also, a consultant could not handle meetings. Alderman Rainey suggested that meetings be delegated. Maybe a fire person is not required at the Site Plan Review meeting. Chief Berkowsky noted they are maintaining the same number of FTEs. The plan review job was put on hold last fall when there was a hiring freeze.

Alderman Jean-Baptiste noted with a tight budget they are charged with leadership. If they cannot fill the combined job, why not keep the status quo; hire a Fire Marshal and Emergency Preparedness Manager and continue with an outside consultant. Ms. Carroll stated the proposal saves \$70,000 the first year and yields net savings of \$100,000 per year by combining the positions and hiring a plan reviewer.

Alderman Wynne had questions about implementing the new parking technology and outsourcing collection. Because the new company is national, is any of the improved collection money calculated into the budget? The City has collected at the rate of 80% and will collect 85% with Duncan Associates but with increased expenditures. City Collection Manager Kevin Lookis stated that rate of collection is guaranteed the first year and hoped to see more in subsequent years.

Alderman Wynne questioned allocating the cost of protecting water/sewer assets and did not understand numbers in memo #33. Ms. Carroll explained the concept is to take a share of the cost of fire/police pensions or the cost of operations and charge it to a utility fund. For about \$1.3 million they could fund a portion of the pensions. It becomes a cost of the Water Fund and would require a water rate increase. A rate study would need to be factored in. The City has differential rates for three years and if built in could result in a rate increase. Estimate for Option #2 comes to a 16% increase in water rates. There was discussion of differential rates for commercial/industrial and residential and what Skokie and the Northwest Water Commission charges its customers versus what Evanston residents pay.

Alderman Holmes asked Community Development Director Jim Wolinski to address the two speakers on the legality of the rental license fee ordinance. He reported they plan to add an inspector and a clerical position to run a complete licensing program, which adds costs of \$111,000 with anticipated \$525,000 in net revenue. The total inspector program costs almost \$700,000. Rooming house revenues are \$192,000. Alderman Holmes thought they were on solid ground for cost recovery of the inspection program. Mr. Wolinski explained that the inspection program now runs a deficit of \$500,000. Alderman Bernstein asked if \$500,000 for rental inspection is a rational basis to offset cost. The City has four inspectors and one supervisor at a cost of \$700,000 and brings in less than \$200,000 from rooming house fees. There are 14,000 rental units and 7,000 rooming units in Evanston. Housing Rehab does inspections of rental property. Inspectors also visit single-family homes when there is a complaint about junk cars, no shoveling of snow from sidewalks, etc. Single-family house inspections are done on a complaint basis.

Alderman Jean Baptiste asked if CDBG supports some inspectors. Mr. Wolinski will prepare a memo on transfers from CDBG.

Alderman Moran asked for some justification on the increased refuse pick up charge for \$428,000. Is it all or part of cost recovery? Ms. Carroll stated the cost to collect refuse is \$6.95 per unit and doesn't include SWANCC services. Currently, residents pay \$5.00 every month. This is an attempt to recover cost. If the suggested change were adopted what would that do to the property tax increase? The tax increase drops from 13.35% to 12.14%. Council voted to put it on the tax bill and take it out of revenue.

Alderman Bernstein questioned the Personal Property Replacement Tax because the memo does not indicate a method to allocate the funds. What is projected? \$1.6 million. In memo #26, a portion is allocated to the library, roads, bonds for debt service before 1978 and the remainder goes to pensions. He asked what is given. Acting Finance Director Steve Drazner said all are in the General Fund. They did not have debt service prior to 1978. Mr. Drazner said they are taking 6.47% for each pension. Ms. Carroll stated there is an explanation on page 5. They will go to 1978 to determine the ratio. It is a second lien on pensions.

Mayor Pro Tem Wollin moved that Council meet Saturday, February 9 at 9:00 a.m. Seconded by Jean-Baptiste. Motion carried. No nays.

Alderman Rainey went to budget memo #29, page 6 of Personal Property Tax allocations that show police/fire but nothing for the library. Mr. Drazner said it is going to the General Fund and will be allocated at the end of the year. Alderman Wollin asked if that takes the place of the library cut. Mr. Drazner will provide a memo.

Alderman Jean-Baptiste asked if they stop injecting trees, what is the cost of tree removal? Mr. Gaynor said the total activity of Forestry is stump removal, tree trimming, tree planting, and chopping down trees. Trees are injected by City staff. Time formerly spent taking down trees is now spent injecting them. A consistent number of trees come down. Ms. Carroll asked for a clear explanation. Staff levels remain the same. Mr. Gaynor anticipates 250-300 trees would go down without injections and fewer with injections.

Alderman Jean-Baptiste went to page 81 of the City Manager's budget and enumerated questions about increases, reductions and changes in the budget. Ms. Carroll will explain in a memo.

Alderman Jean-Baptiste moved that the Motor Fuel Tax be increase by 1¢ per gallon. Seconded by Alderman Rainey.

Alderman Wynne asked is staff confident they can collect the additional \$137,000. Ms. Carroll said for a penny people won't drive elsewhere. Staff suggested they take half of what the City collects now. Motion carried. No nays.

Alderman Tisdahl went to page 396 and asked about the Economic Development Fund and other consultants for \$340,000. Budget memo #24 has \$340,000 for legal services, feasibility studies, environmental studies, North Shore Convention Bureau, EVMark, Inventure and zoning. On pages 217-218 there are subsidized taxi coupons for seniors who now can get free senior CTA passes. She recommended that the senior taxi coupons be eliminated. Costs have gone up on the subsidy. Mayor Pro Tem Wollin pointed out that the problem is that there have been changes to the bus routes that no longer go close to where senior citizens live. Alderman Rainey would rather see adding to senior citizens costs than eliminating the program. Keep the program and raise the coupon from \$2.50 to \$3.00. Staff will look at other options. Alderman Rainey questioned publishing information in *Highlights* and asked what \$500,000 covers. Ms. Carroll stated it covers printing of *Highlights* and Donna Stuckert's salary.

In response to Alderman Rainey on the sustainability grant, Ms. Carroll stated they have money from the original grant. New grants were brought in and there are some cost savings. Alderman Rainey asked why there was a proposal to CDBG for a large amount to the sustainability coordinator. Why is it listed if they don't have a sustainability grant?

Alderman Rainey moved approval of the 1% Food & Beverage tax and no change in the alcoholic beverage tax. Seconded by Alderman Jean-Baptiste.

Ms. Carroll explained the original proposal included reduction of the liquor tax by 2% and increasing food and beverage by 1%. Alderman Rainey noted the City has built a community house they cannot staff and proposes to stop injection of elm trees. Citizens want services. The reason restaurants do great is that they are located in a great community and people will pay to stay. Customers will pay this tax, not the restaurants. On a \$200 tab, it would be \$2.00. She excluded alcohol because that is already at 6%; this would generate \$850,000 in revenue. Motion carried. No nays.

Alderman Hansen referred to budget memo #40 and asked if the victim advocate position is vacant. If staff has to cut, which position -- the victim advocate or youth services -- should be cut? They have operated without a youth services

advocate for four months. The victim advocate position is critical to the department's needs. Do they use interns? Chief Richard Eddington responded that they use interns with some positions and there are a number of variables. They have two interns at a time due to supervisory requirements. Alderman Rainey asked how many juvenile officers are at the Police Department. Chief Eddington replied they have six investigators plus a sergeant and one vacant position.

At this point the tax levy increase was down to 10.5%. Ms. Carroll asked if there were any more questions and to submit them tomorrow so that staff could get budget memos out on Thursday.

There being no further business to come before Council, Mayor Pro Tem Wollin asked for a motion to adjourn. The Council so moved at 9:55 p.m.

Mary P. Morris,
City Clerk

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