

CITY COUNCIL
Budget Workshop

January 24, 2009

A Quorum was present.

Alderman Holmes	Alderman Wollin
Alderman Tisdahl	Alderman Rainey
Alderman Jean-Baptiste	Alderman Hansen
Alderman Bernstein	Alderman Moran

ABSENT:

Alderman Wynne

PRESIDING: Mayor Lorraine H. Morton

A SPECIAL MEETING of the City Council was held on Saturday, January 24, 2009, 9:23 a.m. in the Council Chamber for the purpose of conducting a Budget Workshop on the FY 2009-10 Proposed Budget.

Mayor Morton commented thank all for attending and that the agenda would be reversing item 3 it will be second. Alderman Bernstein was recognized and he informed the Mayor and Council that Alderman Wynne would not be in attendance because of her father's 90th birthday celebration. The Mayor then explained that at the last Budget Workshop she had extended an invitation to all City Staff, Unions everybody who works for the City to come and give suggestions in assisting the City during this financial crisis we're facing with this Budget. There is no hidden agenda and whoever put that out has given you misinformation. The only purpose of the invitation is to tell us what you think might be a good way of you telling how you can help us. The Mayor also expressed the fact that Evanston is no different then any other communities in the United States. We are in an economic crunch and the people everywhere who have to pay the bills are all hurting, hurting and they don't have the resources. We are all in this together and we will either survive together or sink together, so we need everyone who has an investment in this City to come together and work out some type agreement to move forward. The Mayor then asked all of the people who were here from the City staff to come and speak and anyone could speak who wanted to speak, and they will speak first. Then we will go into the Citizen Comment section and after that the presentation of the Budget by City staff, followed by a Council discussion which will be limited to the Council members only. It is very important that the Council hear from you before they go into discussion to make decisions.

CITY EMPLOYEES:

Brian Scott/Vice President Evanston Firefighters Local #742 spoke of receiving invitation to attend and they are very sensitive to the financial status of the City and the residents. Any contributions they are going to make will be through the ongoing negotiations and collective bargaining that they have been involved in since last December. The firefighters are very committed to putting together an agreement that will be good for both sides, and he asked to respect their collective bargaining process.

Mayor Morton then responded by saying it was never a thought to disrespect their collective bargaining process.

Kevin Johnson/President of AFSCMEU local 1891 stated he was here at the Mayor's request, but is not prepared with a proposal to share. They are currently in bargaining sessions, 2 years ago they lost employees to layoffs and many of them still have not found employment. Due to the IRE

they have lost many positions, some filled others were not and the ones who are still here have taken on extra responsibilities because of these vacancies as well as reorganization. AFSCMEU will always bargain in good faith with whoever will be sitting at the bargaining table.

Brian Randall/Teamsters Joint Council 25 and their affiliate Teamsters local 714 presenting the Police Department in Evanston explained they understand the difficulties the City faces, and their members are committed and they are in bargaining as well. They will work with the City during their negotiations as they had in the past. They have a negotiation session planned for next month and he invited the Council to be there.

Dave Ellis 1319 Grant worked for the City for the last 29 years, as a Firefighter/paramedic and a member of local 742 also for 29 years. Speaking on the Budget Memo and last Budget Workshop he wanted to set the record straight concerning statements made at the January 12th workshop. There is no cost of living increase or salary increase in their contracts now or earlier. The decision to eliminate jobs or services should not be made by the City Manager but by the City Council, based on a physically responsible budget. He also disagreed to the statement that the Unions are responsible for where we are now. He also asked the City to get funds from Northwestern University for the services that they get from the City. He suggested that non-essential services should be reduced.

Mayor Morton then asked if any City employee wanted to respond to the request that the Council made to speak at this workshop.

Alderman Moran wanted the staff to examine what would be the savings if there was a one day furlough where the employees would not be paid for: (1) one day per year or, (2) one day per quarter.

The Mayor again asked if there was anyone of the staff who wanted to speak on this issue on how you can help the City during this crisis. Well we will now listen to the citizens.

CITIZEN COMMENTS:

Sharon S. Eckersall 2519 Ashland spoke on the proposed increase of the 4.9% of property tax, she wanted to see a change in the deficit is handled. Next year will be the Tri-annual Review and the taxes will probably increase again. Ms. Eckersall said that she would like the Council to handle the Township budget the same way they handle the City budget. She suggested that we all work together and stop conflicting with each other.

Alderman Rainey spoke in response to Ms. Eckersall's comment and said the way the Township Assessor could help with the budget is by chipping in also to assist for the amounts of money in legal fees due to suites against her from past employees.

Felix Dowine 1804 Lemar spoke on the proposed tax assessments that doubled his escrow and he can not meet that request, and he is retired on a fixed income, and he also missed the assessment appeal process. He's looking for help so he would not lose his property he's worked for, for so long. Alderman Rainey said she just met with Mr. Paul Sullivan who works with Connections for the Homeless, and he has a substantial amount of money. This grant will help homeowners struggling to keep their homes who are not in foreclosure.

Mike Vasilko 2728 Reese came to speak again to postpone any non-essential to allow for the safety, basic health and welfare of the citizens of Evanston. If any of the funds that were not spent last year should be returned to the budget for the help of the citizens. Some of the non-essential expenditures such as planting trees, public art, unfunded Block party's should be spread out over the years. We should not be replacing vacant positions as expressed by Mr. Vasilko. Additional

revenues should be sought from Northwestern University and to stop ignoring that possibility, and do not raise property taxes. Mayor Morton said that the superintendents or decision by the School Board is not within the Council's jurisdiction. Alderman Holmes spoke concerning the statement of the School District and wanted the citizens know that they are two different entities. She also wanted to know about the block party's and wanted him to speak on the statement. Alderman Jean-Baptiste spoke concerning certain funds that Mr. Vasilko knew about let him know, because the people in his ward come out of their pockets to have a block party and he would like to get a refund. He stated that a lot of Mr. Vasilko's statements are not historically based. The "Bike the Ridge" was not a block party and it was not intended to be one.

Kevin O'Connor 12271/2 Isabella thanked the Interim City Manager for the time and effort that went into the presentation of the Budget Book. He was also supportive of the Township Assessor's Office and the help that he and his family have received from the Assessor. He then wanted to get a copy of the Julie Carroll suggested list of cuts, and was the City Manager looking into that He questioned the amounts from the budget book and whether it was necessary for 4 of the areas listed. He also questioned the sales of parking stickers. Alderman Rainey stated that 39,000 had been sold, but Mr. O'Connor disagreed. Mr. O'Connor then asked if there were reserves in any of the TIF's and if the reserves could be used to fill the deficit. Mr. Lyons said yes, but we can not take those funds from those TIF's because they're specific for that identified area. The Restrictive and Unrestrictive Funds were explained to Mr. O'Connor by Mr. Lyons. Restrictive were those funds that were involved with projects already in process, whereas the Unrestrictive were funds were for projects not yet begun. Alderman Rainey interrupted to explain we will not get through this budget if we try to answer all the comments on this proposed budget, Also she offered her time to sit with Mr. O'Connor to explain the whole concept of TIF's. Interim City Manager Russell told Mr. O'Connor they will make the commitment with staff to sit down and discuss the TIF's with you. Mayor Morton informed the people that this budget had to be passed by the Council by March 1, 2009 to allow the Mayor 10 days after Mayor's veto for the Council to consider it.

Interim City Manager Russell stated for the early retirement they sent out a memo it has about a 5 million dollar savings over the next 10 years.

Junad Rizki 2767 Ridge Ave. has been coming here for many years, he talked about the legal schemes the City is running. He wanted to know where all the money went. The health insurance for the Council members is extremely lower than the amount that a City employee receives. He said that the Council members were all part-time employees and nowhere else do part-time employees receive health care benefits. He also wanted to know what the Council members were going to do themselves to help out in this crisis. Mayor Morton told Mr. Rizki that they were not asking the employees to take a cut.

Olga Mes 2123 Wesley spoke on not having the property tax to increase, she is employed by the state and not receiving money from the state at this point. She does not have health insurance and she does not want to loose her home because they can't pay their taxes, and she is afraid of being homeless soon.

Tom Burnham 2515 Prairie Ave. a very emotional person attempting to express himself, he was here to speak to one person and one office. He came to express his willingness to be helpful. He said he wanted to make a point and he was trying to get there as quickly as possible. The Mayor asked if Mr. Burnham wanted her to help him and he answered yes. She then reminded him of when he came to her office and wanted 3 things to happen, (1) What is the City has to do by Law?, (2) What are the things that the City would like to do, and (3) What are the things we

can convince the taxpayers that we should do? This gentleman continued with his soliloquy and finally ended by asking all to say I need your help.

John Zbesko, 1120 Noyes Street, spoke on whether anyone has directed City staff to propose a budget that did not include a property tax increase, if there were a budget that would include not having a tax increase how would City staff go about accomplishing it. Mayor Morton said that is exactly what they have been doing, so just stay awhile until the presentation is done. Once again the Mayor asked if anyone else wanted to speak.

Mayor Morton asked whether the people who spoke first were from bargaining groups, and if they could come up with something would it affect this budget. Ms. Daley said those who spoke this morning spoke on behalf of many employees, so those who did not come up to speak to you had people speaking on their behalf. It depends on how quickly the collective bargaining process goes, and how quickly we can resolve the contracts. Mayor wanted to know if we were beginning to have those talks. Ms. Daley answered yes. Mayor then asked if these talks were scheduled before February 20th, and Ms. Daley answered they will be meeting with all units before February 20th. Final contracts that come back staff would circle back after negotiations to make sure everything was correct. Negotiations and contracts are retroactive until the beginning or start of a contract, and it would affect our actual expenses and our budget.

Alderman Jean-Baptiste spoke in regards to the comments that Mr. Rizki who indicated the Council voted 20% increase in salaries, 4 years ago the salaries were frozen and this year we did add \$2000.00/ year for compensation to the Aldermen. Over the last 2-3 years the City has reduced overall staff to 40 employees over the last 3 years as stated by Interim City Manager Russell. Keeping the remaining employees was a commitment the Council and Interim City Manager Russell made and we are keeping it. Employee numbers have been reduced, we are looking at other options, we have no laid anyone off, and we are doing the best we can without raising taxes and shifting a major burden on the backs of the taxpayers. Alderman Rainey is willing to match every single day of furlough for me if that comes out. Alderman Jean-Baptiste seconded her statement. The entire Council agreed to commit to the same arrangement.

The Mayor asked one more time for any other speakers. Joe Hill 2647 Broadway has been in Evanston since 1948 and he referred to the lady who lives on Wesley and said she hit the nail on the head. This budgeting process should not be an accusatory process, not a confrontational process and all she was asking for a break for the citizens.

Alderman Wollin informed the Mayor and Council she has a Ward meeting concerning a zoning issue and would like to get to the presentation as quickly as possible.

Alderman Hansen stated it was 11 o'clock and still have not got to the reason we are here, but she is incensed by the comments of some of the citizens attacks not only in this Council but also by email. We are Evanston citizens as well. She's not re-seeking office this year partly because financially she can't afford to lose her day job. She instructed those who would come up to talk make sure that your facts are correct so those who have never heard the issue will know what you are talking about. She also admonished the new candidates for using this time to embellish their campaign time during these sessions, and she asked the Mayor not to let this happen again. She was quite upset with all of the complaints they receive as Councilmen who are Evanston citizens too. The Mayor commented that after today no citizen can say they did not have the opportunity to speak before the Council, this is a workshop and they were given the chance to speak. By request of an Alderman we will take a 10 minute break, and then we will come back to you Mr. Lyons.

Ms. Russell had to later retract her offer to Mt. O'Connor concerning the TIF's, due to the fact he's a candidate for Ward Alderman and it would be violating our Ethics Ordinance. He could find it on the web and also the State Illinois website. Alderman Rainey said she didn't have to worry about the Ethics Ordinance so she will take care of Mr. O'Connor. Alderman Holmes requested that candidates who were coming to speak as citizens should identify themselves as a candidate for an office, because we know names but don't know exactly who the candidates are.

Interim City Manager Russell stated the beginning of the power-point presentation by Mr. Lyons on other budget funds and after that return to the General Fund Budget.

Mr. Lyons remarked this presentation is shorter than the one last week, as we did last week hold questions to the end but anytime but will take questions from the Council at your own convenience. He talked about the TIF's and how they will change with no additional cost to the community or any taxpayer. Alderman Tisdahl wanted to know how much money will 202 and District 65 will get when the TIF closes. Mr. Lyons said 202 could possible get 2.6 million dollars and District 65 approximately 3.8 million dollars/year, and it appears we have new property growth which does not affect us. Alderman Rainey stated it is new property growth and it's from one TIF and it is real money. Alderman Moran stated TIF's can be abused, but Evanston's TIF's have never been abused and we could be a case study of how a community can grow through its TIF law, and through this system we have brought millions and millions of dollars into the City. The Mayor gave credit to Judy Ielo did a fantastic job. Mr. Lyons stated we are starting off with \$15.8 million in the Capital Improvements Fund. We will be delaying our bond issue in March and maybe even until October or November.

Water & Sewer:

We feel we can delay the water increase for a year, but the sewer rates will see an increase. Alderman Rainey thinks he must go back to the drawing board. The sewer funds have to be looked at again. Alderman Tisdahl suggested to have Lawyers look at our 40 year contract with Skokie, and see if it is possible to change the selling price per gallon. Alderman Rainey agreed we need to pay our bills, but we need to find other ways and to have another presentation from the consultants. Interim City Manager Russell said they would bring back the consultants for the Water & Sewer and also have some talks about our rates and our contract. Alderman Rainey also suggested our staff to give us the presentation so we would not have to pay the consultants.

Parking Fund:

There was a slight decrease in revenues, and there were no changes in the parking fund with its sufficient funds to keep it going. Parking also includes some Capital Funds. Alderman Rainey asked if the parking tickets went into the Paring Fund, and the answer was no.

Fleet Fund:

We got rid of 8 vehicles so this decreased the budget revenues from General Fund. Alderman Tisdahl wanted to know how many of the Fleet vehicles were take home vehicles by City employees. Mr. Lyons had no answer. There are 13 vehicles people take home at night, as expressed by Mr. Lonnie Jeschke. Alderman Tisdahl wanted to know if the Council could look at that practice. Mr. Jeschke answered they are working on a 10 year Fleet Plan and take home vehicles are apart of that plan. The Mayor wanted to know if there was a criteria for taking a vehicle home. Mr. Jeschke stated there is none on record that he knows of. City Manager Russell stated if there is an emergency and the person can prove that in any 24 hour time they must have the vehicle available then they are granted a take home vehicle, especially if they need special equipment and that equipment is in the vehicle and is necessary for completing their assignment it is granted. If the vehicle is retrofit then it is a need. Mr. Lyons then added that the take home vehicle is issued because of response time to arrive at the emergency site in the least amount of time for efficiency. Alderman Rainey is not talking about the Fire or Police or similar, she's

talking about the ones who take them home because they are there. Alderman Jean-Baptiste suggested to have more research done on this matter and to allow the City Manager's Office to investigate, because it can not be resolved in this meeting today.

Insurance Fund:

Included in this are payments of worker's comp, general liability claims and outstanding claims from years past.

Police & Firefighters' Pension Funds:

Looking at the ARC (annual required contribution), were the proposed amounts for both Police & Firefighters'. Alderman Rainey wanted to be reminded what the percentage of tax levy is going to pensions. Mr. Lyons' response was approximately 1/3 of \$37 million, so \$12 million out of \$37 million. Alderman Jean-Baptiste suggested to the Mayor to give some history of the P&F Pension Plan and how we arrived at this situation. Mayor Morton asked if there was a reserve in the State Pension Fund. Mr. Lyons said it depends on which Fund you're talking about. The cities have kept these funds funded and have made the adjustments as needed. Alderman Jean-Baptiste stated the Police and Firefighters' Pension has been a major burden on the City and there should be some type of history explained to the public of how we got here.

Interim City Manager then switched to the discussion to the General Fund Budget, she stated that the cost of savings for a one day furlough would be approximately \$175,000.00 and if it's the Councils' desire we will work to make that happen. Mayor asked was this all inclusive and did it include all staff, and the answer was yes to both questions.

General Fund:

Mr. Lyons said that we have a goal to show no property tax increase with no budget deficit, no layoffs and no decrease in services. Interim City Manager asked Mr. Lyons to go through the additional Budget deficit reductions. Mr. Lyons starting at the revised deficit budget will be \$3.6 million with no property tax increase. He suggested to transfer \$500,000.00 from the reserves because it is at a timely thing to do. Alderman Rainey had in the past questioned the Townships' finances and the reserve over a million . Alderman Rainey also stated there is tons of money and they can't get their hands on it. City Manager Russell said when they discussed the Township Budget \$300,000.00 reserve fund overage. She suggested that The Township would take over the services or have the Township pay for those services directly. City Manager admitted the staff has not had any meaningful conversation with them as of yet. Mayor Morton explained that the Council is also the Board of Trustees for the Township of Evanston, and are charged with passing a bill.

Athletic Tax:

This one comes in 2 forms (8% & 3%). The 8% that we control for every 1% we control is approximately \$50,000.00. \$575,000.00 is what we get from all of the sources. Alderman Tisdahl said that we should increase the tax another 2%.

Insurance Cost:

The staff has been looking at reducing the cost of the premium at a lower cost for a saving.

Further Position Reductions:

\$140,000.00 is the position reductions and the hiring deferrals will be \$270,000.00. Alderman Rainey wanted a breakdown of the numbers. City Manager informed the Council of further discussions with the department directors about the positions and the dollar amounts are the total amounts. Balancing the budget with a minimum disruption to services is the goal of the City. Alderman Rainey wanted to talk about the vacancies list and the jobs she thought were on hold. Alderman Jean-Baptiste said he would feel better talking about this issue in Executive session. Mr. Lyons stated he had completed his presentation. City Manager expressed the fact that there will be a 0% property tax increase and if the Council have no objections they would move forward with the recommendations received. A voice vote was taken for approval and was so ordered.

Mayor Morton asked if there was anything else to come before the Council and Alderman Hansen stood up. She spoke on the overtime that had come up, and last years budget was \$99.5 in 2008-09 and the proposed budget is \$138.5, and wondered if those numbers could be reduced. She was curious and why certain areas were higher than others. Mr. Lyons felt that the overtime is much lower than other places with consideration of the number of employees. Alderman Tisdahl suggested how we may collect fines that could go to adjudication for payment. Alderman Rainey have problem with the conceptual system of the Adjudication process that does not seem to be functioning efficiently. She also wanted to tax cigarettes out of business. Alderman Hansen spoke on the Recreation Magazine and how to decrease the number of printing. Mayor Morton wanted Mr. Lyons to promise in the final copy the number of employees in each department associated with the funds. She again asked if there was anything else to deal with today. The discussion of the next meetings came up and was decided on, then the Mayor declared the meeting adjourned at 1:16 p.m.

Respectfully submitted,
Rodney Greene
City Clerk

A copy of this budget workshop is on CD in the Clerk's Office, room 1200 in the Civic Center located at 2100 Ridge Ave.