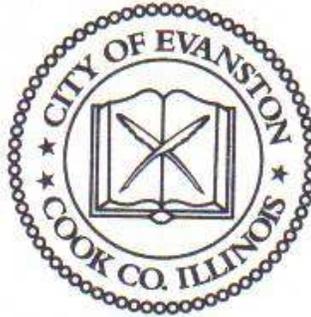


July 8, 2009



**CITY COUNCIL MEETING  
SPECIAL MEETING  
COUNCIL CHAMBERS  
2<sup>ND</sup> FLOOR**

**ROLL CALL – PRESENT:**

	Alderman Wilson	Alderman Burrus
	Alderman Holmes	Alderman Fiske
	Alderman Tendam	Alderman Jean-Baptiste
A Quorum was present.	Alderman Grover	

**ABSENT:**

Mayor Tisdahl, Alderman Wynne

**PRESIDING:**

Mayor Pro Tem Alderman Rainey

The City Clerk read the announcement from Mayor Tisdahl calling for the special City Council meeting that was signed on July 1, 2009. Mr. Greene then asked for a motion to elect Alderman Rainey as the Mayor Pro Tem in Mayor Tisdahl's absence. Alderman Jean-Baptiste responded so moved with a second from Alderman Holmes. The meeting was called to order at 6:15 p.m. to discuss the Sanitation Review Options and the first quarter Financial Review of the FY 2009-2010 Projections.

Mayor Pro Tem Rainey mentioned we had a sign-in sheet with one person, and she called for the person to come forward to address the Council.

**CITIZEN COMMENTS:**

Mr. Tony Lowery runs one of the Arts programs in the summer. His concern was the request to cut their budget, and he was wondering if there was a reason since they have expanded the program by reason of the enrollment number increase. They have also increased the fees that the parents and Evanston voters pay for their child to get the services. I offer, why would we have to cut our budget when we are not even half way through the summer?

Mayor Pro Tem Rainey responded "that is the kind of question we are going to get the answer for tonight, and one of us will ask that question for you when the Finance department's Presentation is made.

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David Matusek is not a resident of Evanston, although he does work for the City in the Sanitation Department for the last eight years. He presented to the Council his proposals on how to be more efficient in their job performance. He suggested the elimination of the special truck pick-up which only picks up bulk items, and it is a duplication of work that one truck already does in an alley. This would streamline the work and eliminate two positions plus benefits. Many clean-ups are left behind or picked up free by the route drivers at this time. With his proposal the following will be accomplished: (1) bulk items will be picked up by the route driver and residents will be billed accordingly; (2) a fee of \$25 would be charged to the resident; (3) the alleys will be cleaned each and every week; (4) will eliminate drive-by dumping; (5) the alleys will be safer and eye friendly to residents; (6) each route truck will have a digital camera to film a street that has excessive garbage; (7) the driver will give written details of the stop and the amount of garbage and waste removed. For yard waste, he proposed a limit of three bags and three bundles of branches (anything over that a sticker must be added for a nominal cost of \$1). The reason for this is that many residents abuse the City's generous policies on yard waste. Some places (on a weekly basis) have over 47 bags and the average resident will not be affected by the change. Only the ones who choose to abuse the City's generous policies. This policy would also bring in new revenues for the City. His last concern was for recycling. He stated most of the items he throws away on his garbage route are recyclable. The bigger cans are a good start to decrease the cost for recycling. There would be a \$5 charge for dumping the can if the recycling was not separated from the garbage. Less garbage will mean fewer trips to the dumping fields, which also results in less gas usage for the trucks. He also suggested a small fee for picking up televisions, computers, monitors and other electronic items with an escalating price for the size of the item. He finally said he hoped the Council would consider some of his proposals. Mayor Pro Tem Rainey asked were electronic items being picked up, and the answer was yes if they were in the cans. She also commented how the speaker's comments certainly will add to the discussion, and asked for the Sanitation presentation to be initiated.

## **PRESENTATIONS:**

Ms. Suzette Eggleston Interim Public Works Director came to give the Sanitation Overview presentation. She prefaced her presentation being started at the April 27<sup>th</sup> AP&W Committee meeting, and at that time Council requested a special meeting to discuss it in greater detail. She then proceeded with their proposals. Recommendation 1: Refuse and Recycling – City crews will collect residential recycling instead of garbage. This will accomplish the following: (1) reduce worker's compensation costs (30% completion of converting to recycling carts and 100% by spring of 2010), which will create a semi-automatic route limiting our employees from lifting more. This would also reduce the tonnage of garbage and the amount of personnel and equipment needed for the task. Also the older trucks will be retired and the maintenance drainage would go down in Fleet. The second part of the proposal is to contract out the residential and condo refuse. This will enable them to lower the price from \$14 per household to \$7.50 per household. There would be a reduction in the garbage and yard waste trucks to seven (7) and four (4) respectively. This would be \$100,000 savings in repair costs and \$175,000 in replacement cost per year. This will also eliminate the special use truck and a personnel reduction. This results in a reduction of FTE's from 13 to 7, with a \$400,000 savings. No current full-time employees would be impacted by the reduction. Recommendation 2:

Increase the sanitation charge from \$6.95 to \$9.95 per month per household. This will result in \$773,000 in additional revenues. Recommendation 3: Yard Waste – Option 1: limiting yard waste quantity and implementing a special pick-up program; Option 2: all residents are required to use yard waste carts; Option 3: implement yard waste sticker program (presented a couple of times to Council before); Option 4: an annual fee charge to residents for unlimited yard waste collection. Staff recommends Option 1 (yard waste: three bundles and four bags or two yard waste carts). Recommendation 4: Recycling Center Operation, the decision is to discontinue the drop-off center, because only 50% of the users are Evanston residents. This will also result in the displacement of one permanent part-time employee (but would like to retain for customer service division). Ms. Eggleston shared her summary of the financial impacts to the City. Finally she requested approval from the Council to prepare an RFP to contract refuse collection services and to prepare an amendment to the Sanitation Ordinance to increase the fees that were mentioned.

Mayor Pro Tem Rainey questioned the refuse collection and disposal 2009-10 verses the recommendation, you did not include the \$100,000 subtracted for cost avoidance injuries and equipment maintenance \$100,000. She noticed in her recommendations she did not add that in for the new services, so it didn't look to her like she made a good comparison. Ms. Eggleston replied she was subtracting the cost from the \$100,000 and that's a rough estimate, and the work-related injury cost would not add back in because we are collecting the recycling. This is a semi-automated system of less weight, less injuries, etcetera. Their injury cost is well above \$100,000, so there is still a factor that exists within the budget. Alderman Rainey responded that when you compare the old with the new, some portion should have been included in the new program.

Alderman Burrus questioned the sanitation cost between the three entities: Evanston, Glenview and Oak Park. She asked if what Oak Park is charging is it covering their cost, also is there a reason why we the Council have not raised the sanitation costs to actually cover our cost to \$14, which is still way below Glenview and Oak Park. She was requesting some historical context. Alderman Rainey stated we raise it all the time incrementally. She believes that people feel we are paying fees and taxes on everything else and some of that should be covering that. Alderman Burrus wanted to know how it worked in Oak Park and Glenview. Ms. Eggleston replied this is their garbage rate and is probably the cost of the garbage and then some. It is privatized collection in those two places. Alderman Jean-Baptiste wanted to add to what Alderman Rainey had said. The approach to trying to supply services to the City of Evanston, the residents of Evanston not to pay the cost for everything because they pay a hefty property tax and most of the surrounding places do not have the same kind of percentage of property tax as we do. Alderman Jean-Baptiste asked what happens to the seasonal and part-time employees. Ms. Eggleston replied they let the seasonal employees go at the end of the season. The temporary employees have no benefits, they are not union members, their salaries are covered and are paid at a higher rate than the seasonal employees because they have spent time with them as a seasonal and have gained a higher level of skills and they can work virtually independent. How many do we have on staff? (Alderman Jean-Baptiste) Ms. Eggleston answered we have four. How long have they worked for us? (Alderman Jean-Baptiste) the longest one for one year and a half and the rest for shorter durations. Three out of the four (or two out of the four) not sure are Evanston residents. The Sanitation Division has a total of 15 FTE's and about 50% are Evanston residents. Alderman Holmes asked if any consideration was given to the commercial contracting impact and what kind of feedback have we had from that, and what do you think the effect it would have on the residential? Ms. Eggleston responded by saying any change will take the

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residents a while to adjust to that change no matter what it may be. With the commercial franchises there was about three months of rough patch and only received about one complaint, which is usually related to the price and not customer services. The Cost Assistance Program entailed the establishment of an assistance program where the City for the first year would pick up the difference if their bill was higher, the second and third year GROOT picks it up and then after five years with the graduated increase the businesses will be up to the cost of the matrix. So it gradually brings them up with assistance for the first couple of years. Alderman Tendam asked about the savings of using the new carts as opposed to the bins and the streamlining of the collection operation. Alderman Fiske stated the problems that she has heard from businesses who are very disappointed with the services, price and pick-up decreases. She would like to revisit the proposal to see if she could get the service back to where it was previously. Ms. Eggleston explained that for six months the proposal was open for everyone to submit information, if they have a reduction in service it's because they asked for it. GROOT matched the service they had before and did not decrease or increase the service, and Ms. Eggleston agreed to meet with those businessmen that Alderman Fiske mentioned. The \$60,000 limit was the cost the Council set for the program, and we are at about \$40,000 of that amount for the year. Alderman Burrus then questioned the accuracy of the comparison of Oak Park, Evanston and Glenview and wanted to know exactly how much debt they were in and how much they were making on their sanitation.

Pro Tem Mayor Rainey said it is not a fair comparison because those communities have privatized sanitation departments. We need to look at similar municipal sanitation departments and see how they operate. Ms. Eggleston mentioned Skokie as being the closest municipality that has a municipal sanitation department but they have revenues from Old Orchard Shopping Center that assists with an influx of money to pay their sanitation employees more money, and an expanded fleet and workforce.

Interim City Manager Russell responded after much deliberation stated they were looking for directions from the Council and that staff would do some more homework and bring back some of the responses to your questions about the employees, what some of the other cities are charging. They will bring that back to the Council and if there is interest in preparing any ordinances for fee increases or going out for an RFP, we could start that process. Alderman Rainey stated she was not ready to discuss this until she has talked to her constituents first. Alderman Holmes said that whatever happens, it's a great idea to give the crews digital cameras, because sometimes the conditions are deplorable and the cost should be on a sliding scale to account for the areas that have gobs of garbage. Ms. Eggleston explained that the crews do take pictures of the deplorable sites and then call their supers, and if they have to get down and cleanup a site, then there is an additional fee charged to the resident or landlord. Alderman Burrus commended the effort of putting together an RFP by being proactive and getting it out on the streets instead of waiting, this would put us ahead of the game. Alderman Wilson commended the people for the good job they are doing including bringing back their thoughts of what should and could be accomplished with creative ways to make the operation more efficient. He also said he has a disinclination of changing the system to privatization to risk the quality of service we are getting now. Alderman Grover wanted Ms. Eggleston to explore the option that Mr. Matussek had mentioned. Alderman Jean-Baptiste felt uneasy in pushing forward to put in place an RFP without further discussion. Historically the employees in the Sanitation Department came from Evanston; they lived, worked, paid taxes, and enrolled their kids in the schools. This will make an impact on them and there need to be more discussions. Alderman

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Wilson believes without all of the answers to the questions that are being asked it might be a little difficult to put that request in a format that will accurately reflect what we actually want to ask for by way of the proposal.

Alderman Rainey wanted to know more about Oak Park and Glenview concerning all the whistles and bells, and how much it really costs them. Ms. Russell said they will take all of the comments, get the response and bring them back to you in written form and then allow time for additional dialogue before we go forward.

The second presentation came from Mr. Martin Lyons Assistant City Manager. He informed the Council and audience that the General Fund is the major issue because of the revenues it receives. Our other funds: Capital, Parking, and TIFs are actually in fairly good condition. RETT stamps are projected to be \$1.8 million below budget; our budget is \$3 million. We have \$7 million in income taxes and we are projecting we will come \$1 million below that number, \$600,000 below last years receipts. The building permits are projected to be \$800,000 below budget. Investment income has also surprised just about everybody. Sales and Retail taxes are being projected \$300,000 below budget on almost \$15,000,000 revenues. Our sales taxes are holding strong compared to communities that might have a high-end electronics and automobile sales tax they are way past double digits in their sales tax revenues. The total Revenue Shortfall is \$4.5 million projected in the General Fund. On the expenditure side the departments are doing their job in trying to keep the services where they are, but holding the line on expenses. The Police Department is slightly below budget, and given their service demand is very heavy during the summer and with increasing overtime, it will push them close to their budget line. All departments have been asked to watch their budgets and control the expenses. It's important to note in all of these departments we run on a biweekly payroll, and we did have an extra payroll and it kind-of skewed our numbers up a little bit and we are still below budget. He then said he would not go through the tables, but suggested each person read on their own and then email or call him with concerns. He also talked about Expense Reduction Options: Create a Hiring Freeze for all positions, and when it affects the department, immediately inform the Council. Furlough day for everyone a \$175,000 to \$200,000 in savings. We will stretch on those days when furloughs are initiated. We have to look into how we would handle furloughs across the board. Alderman Rainey interjected to ask the other communities who are doing it now how they do it. She also wanted to know if they were evaluating other programs in other communities, and would he give the Council some information on their positions even if they have layoffs. Finally the Capital Freeze is what they did last year for the salt. We could also hold off on vehicles and large equipment items because the General Fund provides a million dollars in transfers to the Fleet Fund to pay for vehicles. So that will be a direct savings back to the General Fund if Fleet doesn't buy. The Vacancy Report has been seen in a variety of reports, but feel free to ask questions. Alderman Rainey wanted to know about sworn officers in the Police Department's vacancy based on what we've budgeted for. The answer was two; she wanted to know how many sworn officers were on the job.

Chief Eddington came forward to say the current officer strength is 165, they are running about 10% unavailable for duty rate that includes folks in the academy, those in the FTO Program, family medical leave, and injured on duty. Alderman Burrus was concerned about no amount under the Reduced Operation topic. This was not calculated into the projections because

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it was fairly new, but equal to a 4% savings as stated by Mr. Lyons. Alderman Burrus then asked was it only personnel cost or are you considering other costs of having the Civic Center open as a reduction as well. His response was he did not include the sustainability cost for closing it those three days for instance, lower heat or lower higher AC, those kinds of things are not included. Were the other department heads forced into supplying options or did they come on their own with options to you? Mr. Lyons answered yes they are forced to be proactive and they have been moving in that direction. Alderman Rainey stated the new City Manager is coming from a city that he manages and they do just that, they have a four-day work week, extended hours during the week with the Civic Center closed on Fridays. She then asked for a number of the 15 vacancies and what savings they have resulted in. Ms. Russell interjected they will have that detail included when they bring the second report. Ms. Russell informed the Council that they had promised to bring back a report of the first quarter and that's all we're doing at this point. They are sharing all of the information with Wally. The information we've received from the Department Directors, she hasn't even had an opportunity to review those. Once they review them they will be put into a report for you and Wally, but some of the suggestions may not be feasible. So we are giving you this information, not so it will be a problem and taking our time and thinking it through so that we at the end of the year are ok with our finances. Alderman Rainey stated they have begged for this type of information, and it is very timely and she really appreciates it.

Mr. Lyons then spoke of the Water & Sewer and Insurance Funds and that they are holding their own. Alderman Rainey interjected that lawsuits were also included in the amount. The health insurance is a dollar in and a dollar out, fully insured premium. This is all lawsuits, worker's comp, and liabilities are the factors driving this one. Parking Fund is in great shape. They are looking for a 10% increase in the levy contributions. The total indebtedness and our debt service payments are usually on December 1<sup>st</sup>. The budget kick-off will be the last week in August and we will have the new City Manager. Alderman Tendam wondered what we are doing to affect what is happening in Springfield. Ms. Russell said we are part of the Northwest Municipal Conference. We submitted letters from the City and will continue to do that whenever there is legislation proposed that will assist us in gaining revenue or reducing expenses. At one point we had discussions on hiring a lobbyist, and it was decided it was not worth the money so we continue to stay in contact with our legislators. Alderman Jean-Baptiste disagreed with what Ms. Russell had just enumerated concerning the Northwest Municipal Conference. He said we had a lobbyist, but he left for another position and we never replaced him.

After much conversation it was finally decided to have discussions in the next Rules Committee concerning the pros and cons for retaining a lobbyist, and to invite our State Representatives. In this meeting we would ask why we didn't receive more monies from the State. Finally Alderman Rainey asked if there were any other concerns to be dealt with, and hearing none she call for a voice vote to adjourn. The vote was unanimous and the meeting was closed at 7:29 p.m.

Respectfully submitted,  
Rodney Greene, City Clerk

**A DVD recording of this meeting has been made part of the Permanent Record and is available in the City Clerk's office.**