

**Evanston City Council  
Closed Session Minutes  
Aldermanic Library  
Monday, December 11, 2006**

PRESENT: Aldermen Bernstein, Moran, Tisdahl, Rainey, Hansen, Wollin,  
Jean-Baptiste and Wynne

ABSENT: Alderman Holmes

STAFF: Judith Aiello, Julia Carroll, Herb Hill, Rolanda Russell and Judith  
Witt

PRESIDING: Mayor Lorraine H. Morton

START: 11:17 p.m.

**Minutes**

Mayor Morton asked for corrections to the closed session minutes of November 13, 2006. Minutes were accepted as presented.

**Purchase and Sale of Real Estate**

First Assistant Corporation Counsel Herb Hill referred to a letter from Ryan & Ryan to the City Manager setting forth a response to concerns raised by Alderman Bernstein regarding NU's charter and how that charter may affect the success of imminent domain proceedings. Ryan stated the sovereign power is the city's right to exercise its power of imminent domain; cited two cemeteries with contract rights by charter. NU's charter would be viewed as a contract and he raised reservations about the risks involved. If the City was unsuccessful, the City would have to pay NU's lawyers and other costs. Not in the memo was his main concern about an earlier appraisal from Marty Stern that was much higher than the second appraisal and the cost of parking. He suggested this would be a costly road to take.

Alderman Rainey asked if this was the opinion staff hoped for and recommended they get a second opinion. Mr. Hill explained that he sought the best possible legal advice. Mr. Ryan is, if not the top, one of the top three imminent domain lawyers in Illinois. Mr. Ryan presented a conservative approach. Alderman Rainey noted they spent all these months on this and have come through with a huge cloud over this issue.

City Manager Julia Carroll stated the analysis was based on Mr. Hill's recommendation to hire Mr. Ryan. She thought this was the site they should pursue, but now was not as sure. If the majority wanted a second opinion, they will seek it. They have waited for this opinion.

Alderman Moran agreed a second opinion was a good idea. He noted that this is an attorney to whom one would go to file an imminent domain case and is expressing

serious reservations about the potential for success; thought this would probably be filed in state court. If it goes to the Illinois Supreme Court, a political body, in Springfield, between NU and the City, he knew who would win.

Alderman Tisdahl opined that it was fine to get a second opinion, but they should look at other sites or rehab this site; did not want a long wait for a second opinion.

Ms. Carroll did not think a second opinion would be significantly different. The other options were to look at other sites. She was approached by Leon Robinson about his site and they have the current site; suggested the Civic Center Committee meet in January.

Alderman Wollin asked about a reaction to the overhead lines and transmitters on Robinson's property. Ms. Carroll said that costs were being obtained from Com Ed.

Alderman Wynne thought they should get a fast second opinion. Someone on the Plan Commission had suggested the Best Western downtown as an alternate site; understood the Best Western was not doing well. Alderman Rainey stated Evanston needs hotels.

Mayor Morton stated that getting a second opinion was throwing money away.

Alderman Moran suggested that they talk to NU about negotiating the sale of Parcel 7 and discuss their bottom line. Alderman Rainey said it was okay as long as the City does not sell zoning.

Seven aldermen wanted a second opinion. Alderman Moran recommended Rick Redmond at Holland & Knight, Jack Siegel's firm.

### **Personnel**

Ms. Carroll reported as part of the budget, she proposed reductions in personnel. Staff has started to meet with affected employees to let them know that there is a proposal in the budget to eliminate their positions. Two are Department Directors. She plans to recommend merging two departments into other departments. Facilities Management will be merged into public works as a division and the director's position eliminated. They would keep the human relations function but would no longer have a human relations department. Functions would be placed in other division. 36 people are affected. 27 or 28 are FTE positions to balance the budget. That includes about 12.75 people in the Health Department related to clinical services that are being outsourced. The rest include a variety of positions in the organization.

In response to Alderman Rainey Ms. Carroll stated employees are being told this week that their position is being proposed for elimination as part of the budget process. In response to Alderman Jean-Baptiste, employees are being told this is a recommendation to the City Council, the Council will consider the budget as part of the normal budget process in January and February. If those positions are approved to be eliminated as a result of budget issues, there is a severance package based upon union contracts for union employees and advice from labor counsel on non-union employees. There is a process

they have to go through when positions are eliminated. She thought aldermen should know this because they will probably get calls.

Alderman Rainey asked about the importance of the Human Relations Commission and their function. Ms. Carroll stated the commission would still function; the functions were still important and could be handled by spreading those responsibilities to other departments. Mediation could go to the Law Department. All will be explained in the budget message. The proposal is to eliminate the director position and another position in the department and retain two positions.

Mayor Morton commented that Ms. Carroll's job is to hire/fire personnel which is not Council's job; noted in the code it specifies what departments the city has. At some point, Council would have to take departments out. Ms. Carroll said they would make changes as necessary to the code, depending upon decisions made.

In response to Alderman Hansen Mr. Carroll stated of the 36 positions, 10 are vacant. 26 people both full and part time are affected. Alderman Rainey asked for a list of vacant positions. Alderman Hansen asked if anyone was quitting or retiring, and could they look at those positions. Ms. Carroll stated there are always people who will leave or retire. Something that may occur, if Council approves the Early Retirement Incentive program, is that there are three or four people eligible to retire of the 36. They met with all the department directors who suggested positions that could be put up for reduction. 25-35 positions would have to go if they held to the 3-1/2% tax levy. If they have somebody who retires, that may not be the position that needs to be eliminated. They have looked at how to provide services. She was really looking at what it takes to re-organize and make the organization flatter. 13 is a lot of departments. A team looked at this and she made the ultimate decision. All will be explained in the budget.

Ms. Carroll reported, based upon direction of Council, clinical services of the Health Department are scheduled to be transferred to other community providers. Alderman Rainey asked if Ms. Carroll had responded to St. Francis Hospital letter. Ms. Carroll had not. Alderman Rainey wanted acknowledgement of receipt of the letter. St. Francis had said they will do everything they possibly can.

Mayor Morton asked about an advertisement for a children's dentist for the City. Ms. Carroll explained that the City cannot find an alternative provider. Evanston Hospital's dental clinic is only for adults.

Alderman Jean-Baptiste said that telling people during the holidays is insensitive. He wanted to see the list and to be fair. There is a rationale explanation for phasing out the clinical positions in the Health Department. But they need a sense of what is happening in other departments. Alderman Rainey raised the issue of human relations, and many have expressed criticisms of that department, but there is a certain symbolism there. He was not sure that shifting mediation to legal was a good idea. He knew many were involved in this decision, but it speaks to their degree of sensitivity to issues. Alderman Rainey was

concerned about the landlord/tenant ordinance. Alderman Jean-Baptiste proposed these individuals not be told prior to the holidays.

Ms. Carroll stated there is a legal reason why they have to do this. Human Resources Director Judith Witt said the real issue is that the budget becomes public at the end of December and they don't believe it fair to employees to read about this recommendation in the newspapers. The City has an obligation to let employees know. Employees are told that the decision will be made by Council by the end of February. Ms. Carroll can give them a list of the position eliminations

Alderman Wynne assumed that employees had been made aware of various scenarios. Ms. Carroll had explained at brown bag lunches and the manager's meeting the process; a tax increase of 3-1/2% would result in a certain number of position eliminations and the total 5-1/2% tax increase includes pensions and debt service. That is what is in the budget now. There is a 45 day rule as part of the Age Discrimination Act.

Ms. Witt stated they will ask for waivers from age discrimination by the end of February. Alderman Rainey asked if any are ready for retirement. Four people are eligible for regular retirement.

Ms. Witt explained the severance package. The first phase is, if a position is eliminated, one month's salary and one month's health insurance is given. If a waiver is signed, the person gets an additional three month's salary and three month's health insurance. Those that retire get their retirement benefits as well as severance benefits. Those eligible for early retirement can work until that window starts, if Council approves the early retirement incentive.

Alderman Rainey asked for feedback from those they have talked to. Ms. Carroll said employees are concerned. The message that Ms. Carroll heard was that Council wanted to keep the tax levy to a minimum.

Alderman Jean-Baptiste said the message was to keep taxes low. Since they have not begun any discussions why are they going so radical compared to the past. Ms. Carroll explained that revenues are not keeping pace with expenditures. In the past they have been able to adopt new revenues to fill the gap. Real estate transfer tax is projected to go down as well as building permit fees. There aren't many options. She is giving them a balanced budget with a relatively low tax increase. If they decide that they want to incur more property taxes, then some of those positions can come off the list. She said they have gone through every department and cut. 10.8 AFSCME positions are being eliminated; two or three are vacant. No sworn police or fire positions are being eliminated.

Alderman Rainey asked the status of the police chief search. Ms. Carroll is interviewing the Wilmette and Waukegan candidates a second time and two other candidates. Alderman Rainey said the police department is demoralized because the two internal candidates were told they were too inferior to be interviewed for the job. She thought that

contributed to the mess. An incident occurred that required seven police cars on her corner. She asked what happened and was told nothing; urged the manager to share information and that aldermen should be called when there is an incident in their ward. Mayor Morton did not recall they have ever gotten information from police.

Alderman Wollin asked for an update on Ellen Szymanski. Ms. Carroll stated that she was on sick leave.

Mayor Morton asked how much money is involved in position eliminations. \$1.8 million. The Health Department is \$1 million and the other departments are \$800,000.

Alderman Wollin asked about the \$644,000 Finance Director Grady said would be saved. Ms. Carroll stated it is in the debt service fund and cannot be used for general operations. She said this is not new information because they talked about it during the fall.

Alderman Moran thought that Ms. Carroll was delivering a budget message consistent with what Council has said to her. At this point she must be able to move forward. He did not think the discussion should be carried forward in great detail. It is not a good time of the year, but the code demands the budget be prepared by the end of the year and if they don't inform affected employees now they will read about it in the newspapers.

Alderman Hansen was not surprised. This is a business. Nobody wants to tell people two weeks before Christmas they will lose their job. They had meetings earlier and told the manager to do what she has to do. People are going to be demoralized. Ultimately it is Council's decision.

Alderman Tisdahl agreed that this was not a surprise. If they change their minds and want to increase taxes that would solve this.

Alderman Rainey stated when people's jobs are eliminated who provide services, she wanted to see justification, and how these losses will affect services. She has some confidence that the Health Department tasks can be performed by St. Francis Hospital.

Alderman Bernstein asked about a confidential report on a department with inappropriate losses. Ms. Carroll reported in the Fleet Services Fund it appears that in 2005-06 the budget was overspent, but they could not establish what happened which was why she hired a special auditor to come in to examine the past two years. They are working on that. As soon as she has the report and what happened, they will know about it. She wanted to advise them. Anytime there is a suspicion that something has happened, she wants to bring in outside auditors. When this was discovered, she wondered why she was not informed by the regular auditors. Several hundred thousand dollars were spent that were not authorized. The fleet manager is no longer here and two or three others that were there. She hoped to have the report by end of December. The auditors that were hired do a lot of auditing for municipalities. Alderman Rainey noted that Miller/Cooper hired a minority firm to help them out and asked if that was working out. As far as she knows that is working out. Alderman Bernstein asked why the current auditors had no

knowledge of the Fleet Services Fund. Ms. Carroll did not know. They came in and said everything was fine. Mr. Grady looked at the CAFR and said it did not look right. Hence they brought in outside auditors.

There being no more business to come before Council, Mayor Morton asked for a motion to adjourn. The Council so moved at 12:07 a.m.

Mary P. Morris,  
City Clerk