

January 14, 2002

**Evanston City Council  
Closed Session  
Aldermanic Library  
February 25, 2002**

PRESENT: Aldermen Bernstein, Moran, Rainey, Feldman, Newman, Jean-Baptiste

NOT PRESENT

AT ROLL CALL: Aldermen Engelman, Kent and Wynne,

ABSENT: None

STAFF: Maureen Barry, Kathleen Brenniman, Pat Casey, Roger Crum, Mark Franz, Herb Hill, Bill Stafford, Ellen Szymanski, Judith Witt

PRESIDING: Mayor Lorraine H. Morton

START: 6:07 p.m.

Alderman Feldman moved that City Council convene into Closed Session to discuss matters of litigation, personnel and minutes pursuant to 5 ILCS 120/2 (c) (2) (11) and (21). Seconded by Jean-Baptiste.

Roll Call: Voting aye – Bernstein, Moran, Rainey, Feldman, Newman, Jean Baptiste. Voting nay – none. Motion carried. (6-0)

**Minutes**

Closed session minutes of February 11, 2002 were corrected by Alderman Rainey as follows: Substitute “Alderman Rainey had a call from a person who had a contract to purchase the Building” for “Alderman Rainey had a call from a buyer who wanted to see the building.”

**Litigation – Franklin/Walsh vs. City**

First Assistant Corporation Counsel Herb Hill reported plaintiff was offered \$30,000 to settle which has not been rejected.

**Litigation – McNally Tunneling vs. City**

Mr. Hill reported that circumstances have changed. Judge Aspen assigned the case to Matt Connelly (whose wife is an employee of the library and resident) and gave attorneys time to file recusal motion . At 3:00 p.m. Friday, plaintiff filed to cause recusal and the city responded. The Judge’s call is at 9:30 a.m. Tuesday and will announce if he will remain. If not, the schedule could be delayed three-six months. Jack Siegel has been before this judge. Staff will know the next day where this will go but the matter could be delayed.

**NU vs. City**

The City had replied to NU requesting summary judgment. Now it is up to the judge who will make the ruling.

**Litigation – Township Assessor**

Mr. Hill reported receipt of a letter from Township Assessor Sharon Eckersall who voiced concern about a complaint made to the Illinois Department of Labor by former employee Nash Castenada who claimed he was owed back pay. He has not filed a lawsuit. Mr. Hill will meet with Ms. Eckersall next week; represent her before the Department of Labor and made no projections.

At this time Community Development Director James Wolinski and Alderman Engelman came into the room.

**Litigation - 121-123 Callan – Zipperstein Administrative Hearing Fine**

Mr. Wolinski reported that Mr. Zipperstein's attorney, Mr. Rosenthal, offered \$10,000 to settle the \$47,500 fine and sell within 60 days. The buyer is Mr. Broz who sold the building to Zipperstein. In 1998 Inspectors found 122 violations and the property was sold to Zipperstein later that year. Alderman Rainey asked why he was calling Broz the purchaser when Mr. Grief was first in line and referred to only one buyer? Mr. Wolinski stated that Zipperstein was served and has a new attorney. Mr. Hill reported that Assistant Corporation Counsel Ellen Szymanski had conversations with the attorney for Zipperstein that day, was checking the status of Grief and when a motion to dismiss would be filed. Mr. Rosenthal asked to dismiss because a pivotal name on the contract did not sign, Zipperstein and wife were parties and he will file a motion to dismiss based on that. Mr. Rosenthal was subpoenaed to testify, therefore could not represent Zipperstein. Wolinski checked on the purported sales and why Zipperstein did not take the deal. \$499,000 was offered prior to the fire. Zipperstein has assignment of insurance. Buyer could elect to buy and get insurance proceeds. This was too big for Zipperstein to part with. Broz offered to purchase for \$440,000. Another offer by two sisters was for \$450,000 but neither of these sales includes assignment of insurance so that Zipperstein can have \$150,000 more. There are many liens on the property and no way they can assure the property will close in 60-days. A motion to dismiss cannot happen in 60-days either. Mr. Hill stated the case might be stronger by keeping the lien on the property. There is no incentive to offer. He saw the contract with Zipperstein's name on it and not his wife's name. It was signed by Grief and Zipperstein's name was printed. He recommended they secure the building and do everything possible to preserve the \$47,500 and continue without filing briefs. It would be up to Zipperstein to move to appeal. Alderman Feldman asked if there were any relationships more than searches revealed on ownership? Hill had no knowledge of other relationships. Alderman Rainey heard the argument the contract was voided because it was not Zipperstein's writing. Mr. Hill noted Zipperstein's story has changed several times. Alderman Rainey urged they not give Zipperstein a break due to his history here. Alderman Moran concurred. In response to Alderman Feldman, Mr. Wolinski stated that Zipperstein lives in Lincolnwood. Mr. Hill said they would stay with the \$47,500 and continue administrative review appeal. Alderman Rainey noted that Mr. Grief had rehabilitated and converted 815 Reba Place to a condominium, which had been a slum. Wolinski noted that Grief also had bought 121 Custer. Mr. Crum stated the consensus was to hold the line and staff would keep Council informed.

At this time Kathy Brenniman and Ellen Szymanski left the room.

**Personnel – Wage/Benefits**

Mr. Crum stated that the recommendation included in his original budget proposal was for a 4% increase for all non-represented employees to be consistent with union increases. Staff has been asked to develop a revised wage package, which would reduce it by \$325,000. In order to minimize the differential, staff proposes to retain the 4%, but delay implementation by three months to save \$180,000; reduce the annual sick leave payout to save \$55,000; and to increase the employee's contribution towards their medical plans to save \$90,000. This final step would be done in four levels so as to minimize the impact on the lowest wage employees.

At this time Alderman Kent came in.

Alderman Moran stated that this subject was not suitable for closed session because it was not discussed in private initially and a proposal was made in public. Alderman Moran moved to go into open session. Seconded by Alderman Rainey. Mr. Hill explained the subject was appropriate for closed session and that there was an exemption for it in the Open Meetings Act. Alderman Moran questioned the application of the exemption under the circumstances noting this issue was already public.

Alderman Wynne came in at this time.

Aldermen Newman, Feldman, Engelman and Mr. Crum discussed reducing the raise from 4% to 2% and alternatives to a 2% increase. Alderman Moran left the meeting at this time. Mr. Crum cautioned Council to be careful about public statements that could be construed as unfair labor practices. Ms. Witt reported status of bargaining units increases: AFSME employees will receive a 3.75% 3/1; Firefighters 4.25% 3/1; Police Sergeants contract expires 2/28/02; Teamsters increase is 4% 3/1. Aldermen Rainey, Feldman, Newman, Jean Baptiste, Engelman, Ms. Witt, Mr. Crum and Mr. Stafford discussed the difference between 2% and 4% after three months; the need to be equitable to all employees; the proposed cut was for \$325,000 and staff understood they were to reduce \$325,000. Staff was questioned why this was not a one time savings? It was acknowledged a portion of the

package was one time. Staff believed a combination approach was best. An increase of 2% means a lower base for next year. In a prior public discussion this cut created perception of two classes of employees. Staff proposal creates savings and avoids the two classes. All four bargaining units will be up and all at the table this year. There was discussion of putting a 2% raise at the latter part of the year and negotiate with bargaining units. Staff preference was for 3% across the board to treat people equitably. It was argued to give the raise in August and make it \$360,000 as an alternative to 2%. Staff noted employees see programs restored and are asked to pay for it out of raises. Management was trying to treat employees fairly along with introducing changes in health insurance. Management noted \$1 million was removed from budget and recommended the raise not go below 3%. The Finance, City Manager, Human Resource and Budget Departments participated in creating the proposed package. If a raise of 3% was delayed until June it would save \$270,000. Management stated the perception would be there – and a 2% would cause problems. If they gave 4% June 1 it would be \$180,000 and if 3% on March 1 would be \$180,000, permanent savings on the base, because it is a reduced base. It was suggested the 4% increase is a result of tradition and expected and confirmed the longevity increases were not calculated in the raise. No staff was demanding 4% but employees compare themselves to those who work next to them. Discussion by aldermen stated that revenues did not come in and if they could give a 4% raise they would. The City took \$2 million hit in reserves and \$1.7 million in cuts. People who live here will have to sacrifice and pay more. If six more positions were eliminated they could save \$180,000. The actual cost of living increase is less than 1-1/2%. Management noted the history of treating unionized and non-union people has been roughly the same. Aldermen Newman, Jean-Baptiste, Feldman and Engelman indicated going to a 3% raise on 3/1 with additional contributions to health insurance would be an acceptable alternative.

Alderman Jean-Baptiste moved that Council reconvene into open session and recess. Seconded by Alderman Engelman. The Council so moved at 7:15 p.m.

Mary P. Morris,  
City Clerk