

**Evanston City Council
Closed Session Minutes
Aldermanic Library
Monday April 27, 2009**

PRESENT: Alderman Tisdahl, Rainey, Hansen, Wollin, Jean-Baptiste, Wynne, Bernstein, Holmes, Moran

STAFF: Interim City Manager Rolanda Russell, Interim First Asst. Corporate Counsel Elke Purze

PRESIDING: Mayor Lorraine Morton

START: 11:05 p.m.

Mayor Morton called the meeting to order and asked for a roll call,

Minutes

Mayor Morton asked if there were any changes to the minutes, hearing none then they are considered accepted, and she moved on to allowing the Interim City Manager Rolanda Russell to go forward with the listed agenda items, starting with personnel.

Interim City Manager Roland Russell responded we will start with real estate first.

Real Estate

Interim First Asst. Corporate Counsel Elke Purze commented on the brief discussion concerning Chiaravalle that was made at the last Executive Session. She stated that we have a contract that is ready to go, and Chiaravalle wants to get the contract approved, adopted by ordinance and would really like to wrap this up prior to the new City Council. The only remaining issue is their installment payment plan, and at the last meeting before she left someone had a question or wanted to revisit.

Mayor Morton instructed Ms. Purze to refresh their memories. Ms. Purze stated this was the statement that the Chiaravalle group made concerning their installment payment plan March 12, 2009 and if they defaulted the City would have two options: (1) The City could bring an action against them, or (2) A re-conveyance of property would go to the City and the City would receive \$250,000 as a liquidation damages provision.

Alderman Jean-Baptiste asked what the first option was, and Ms. Purze repeated it again.

Alderman Bernstein asked what did default in payment mean, Ms. Purze responded we take them to court for breach of contract.

Mayor Morton wanted to know what the initial payment was.

Ms. Purze stated it would be \$250,000, and Mayor Morton wanted to know what the amount of the first payment would be.

Ms. Russell said it was ½ million dollars and Ms. Purze stated the payments would be 2.1 million over a four year span.

Alderman Bernstein stated that the first option we would receive \$250,000 in the event they default. He then wanted to know when they have to come up with the \$250,000.

Ms. Purze stated she believed there was a provision in the contract for a time line.

Alderman Bernstein wanted to know what the timeline was because he said we don't want to bankrupt ourselves to get the money back.

Ms. Purze then stated there was a ninety day window for them to respond, and then she believed there is a similar reciprocal provision for us to pay them back in ninety days.

Alderman Bernstein then asked suppose they make two payments then default.

Ms. Purze stated she did not bring the whole file with her and apologized.

Alderman Hansen asked what the rent accumulation would be over a four year period.

Alderman Bernstein responded \$36,000 per year or so. Ms. Purze stated it would be different.

Alderman Wynne said she didn't know what the provision says, but if we have to pay them back it should be over the same time period they pay us, or we can say we'll pay you back in four equal installments.

Ms. Purze stated she could add that into the contract.

Alderman Rainey wanted to know if we had financials from them.

Ms. Purze said their situation has changed since the economy fluctuation, their endowments are down and people who in the past said they would help them financially have backed out. She said we do have in our files from long time ago some financials.

Alderman Moran asked what are we deciding.

Alderman Jean-Baptiste suggested we decide this next week.

Ms. Purze stated she had one draft ready now and that she will put a provision in there lengthening the time limit if we have to pay them back.

Alderman Jean-Baptiste asked to see the provisions they proposed before we can go forward.

Ms. Purze stated she would get it together and send it out in the Friday packet, you mean to the Council (interjected by Mayor Morton), yes to the Council.

Ms. Russell informed the Council there will be a meeting on next Monday the 4th. When you go into Executive Session to discuss personnel, you can discuss this.

Mayor Morton asked Ms. Purze if she had received anything in writing from them, response was yes, in their own language. Ms. Purze stated she handed it out many times.

Alderman Wynne suggested that Ms. Purze send the Council what she currently have, and then some revised language on the term of our repayment so we can discuss it next Monday night. Ms. Purze responded absolutely.

Mayor Morton asked another question concerning the lease they have, the answer was interrupted when Ms. Russell answered the Aldermen who asked about attendance at the Monday, May 4th meeting. She informed them that the current Council did not have to attend because it was an orientation for the new Council members. Council decided they wanted to have a special meeting after the orientation.

Alderman Rainey stated over the years City Council was involved in the orientation.

The orientation will take place at 5:30 p.m. The special City Council meeting will start at 8:00 p.m.

Mayor Morton stated she always wanted them to have this school. When do they make the payments at the beginning of the month or at the end. The next year will they have \$400,000 to pay?

Alderman Wynne and Ms. Purze stated they were going to come up with the entire lump sum.

Ms. Purze explained that this was their proposal.

Alderman Jean-Baptiste suggested the Council to get away from the notion of paying back, let's make a final kind of agreement seconded by Alderman Hansen.

Mayor Morton asked if all agreed to the motion and since there was no dissention it was approved.

Personnel

Redacted

Respectfully submitted,
Rodney Greene / City Clerk