

EXECUTIVE SESSION
CITY COUNCIL
The Den at Fox Creek Golf Course
3002 Fox Creek Rd.
November 15, 2013

Council present: Aldermen Kevin Lower, David Sage, Mboka Mwilambwe, Judy Stearns, Rob Fazzini, Karen Schmidt, Jim Fruin, Jennifer McDade, Scott Black and Mayor Tari Renner.

Staff present: David Hales, City Manager

Staff absent: Tracey Covert, City Clerk.

Others present: Lynn Montei, Lynn Montei Associates.

Mayor Renner called the Special Session to order at 9:30 a.m. He noted the topic: The Employment, Compensation & Performance of Specific Employees, Section 2 (c) (1).

Motion by Alderman Fazzini, seconded by Alderman Lower to recess to Executive Session regarding Employment, Compensation & Performance of Specific Employees, Section 2 (c) (1).

Motion carried, (viva voce). Time: 9:31 a.m.

David Hales, City Manager, addressed the Council. He had presented the Council with a handout.

Mayor Renner clarified that the genesis of this document was the two on one meetings held last summer. There was a new Council. The key question was what was wanted from the City's department heads. He noted the situation with Todd Greenburg, Corporation Counsel and the retirement of Mark Huber, Director of PACE.

Mr. Hales recommended that the Council review the handout first which provided background information. He cited his recent attendance at the ICMA (International City Manager's Association) Conference. The critical reality facing the City was flat and/or declining revenues. He noted the City's past growth which resulted in revenue and personnel increases. In addition, there was the fact that costs, (for commodities and/or services), had continued to increase. Societal change was constant. The private sector was quick to change. There needed to be a new set of values, principals and management. Employees needed to be innovative, creative, and adaptable in order to keep up with the change. Service provision needed to be cost effective and efficient.

Upon his arrival to the City, there was a Council mandate to put the City's financial house in order. It had been a team effort, (Council, senior management, employees and

unions). The City had made great progress but there was still additional work to do. The level of recovery was something that everyone should be proud of.



This document was initiated by conversations with Council members. [REDACTED]

[REDACTED] He had continued to work on this document. Lynn Monteï, Lynn Monteï Associates, had provided assistance and acted as a sounding board. Transforming City government would require taking a major step. He believed the City's future would be best served by a bold, decisive culture change. Culture change would not be quick or easy. At times, resources would be required. He restated his belief that the City needed a culture change. The benefit of this change was that the City would be in position and poised to move forward.

The community wanted a high performing organization. The City needed to move towards and demonstrate customer service. There were serious staffing problems. He planned to look outside of the organization for the best innovative and creative practices in both the private and public sector. The goal would be to keep costs low while providing high level quality services. The community wanted high level services. This was a wealthy community that also wanted a variety of services. Citizens have placed a high value on quality of life. They had high expectations and appeared willing to pay for these services. The City had benefited from community employers such as State Farm, Country Financial and the universities.

He encouraged the Council to think about specific changes and to not become bogged down about the staff. In the past, the City organization and its staff had produced a lot of positive good results. However, in almost any organization approximately twenty percent (20%) of the employees were destructive. Another fifty percent (50%) of the employees do their job to the best of their abilities. Only a small minority of employees were visionary and proactive. This small minority wanted to excel and have a passion for their work.

It was time for a major change. He could not do it alone. It would require the combined effort of the Mayor, Council, City Manager and senior leadership team. All must be united and supportive of this effort over the long term. A culture change was a multiyear process. The model would be the Baldrige Performance Excellence model. It would take three to five (3 – 5) years for the City to become a high performing organization.

[REDACTED]

[REDACTED]

He informed the Council that at their November 25, 2013 meeting, they would be asked to approve Mr. Greenburg's Severance Agreement. This would open the doors to bringing in individuals who would look at what and how the City was doing things. There needed to be a balance between internal and external legal services. He was advocating for City staff to be proactive not just reactive. Future City goals would have higher expectations.

The City would be best served with organizational change. He cited the PACE (Planning and Code Enforcement) Department as an example. He planned to propose a text amendment which would change the department's name to Community Development. He planned to hire a new director that would re-energize the following programs: Building Safety, Code Enforcement and Planning. This department would also address Economic Development. City staff's interactions with the public needed to be positive. This would take strong leadership. The individual needed to be innovative, aggressive and proactive.

He also proposed an organizational change to create an Administrative Services Department. There would be a director who would oversee the following areas: City Clerk, Information Services, Human Resources and Finance. A new manager would oversee these staff functions in order to meet the operating departments' needs. Priorities would be addressed through the development of creative and innovative processes. The City may make use of outside resources.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

His plan was to push people and work on individuals. The Legal Department would be reorganized. There had been an organizational assessment of the PACE Department. He believed that the City would see staff turnover. The City needed to hire smartly. Individuals needed to be hired for their competence. The City's current culture was not good. Individuals in higher level positions needed to lead the organization.

He restated that he could not do this alone. He planned to request two (2) Asst. City Managers who would oversee all of the City's departments. The exception would be the Legal Department which would report to the City Manager. The Asst. City Managers needed to be experienced, [REDACTED]. They would come from outside of the City. They would be passionate and committed to creating a high level organization. They would help make the necessary changes and train the staff.

As City Manager, he would become an asset to the Council, other governmental organizations and intergovernmental cooperation. He cited the Public Works and Fire Departments as examples. He planned to engage the Town of Normal. The focus would be on high quality services.

[REDACTED]. The City currently had ten (10) collective bargaining units. The Human Resources Department staff was described as lean. The hiring process was too slow. Human Resources staff had made good efforts at the hiring process. The City needed to find great people with fresh ideas to assist with the culture change.

There would be continued discussions regarding the budget. The City would need to invest in its employees at all levels. The City would become a robust performance excellence organization that offered robust customer service. The City would become the best it could be with the available resources. He reminded the Council that City staffing was lean and therefore not fast.

The City needed to raise revenue and/or reduce services. The City's best employees and directors were uneasy. [REDACTED]. The City needed to convert to the positive. There were employees with great ideas. He was excited about new hires. [REDACTED]

He restated that the City would invest in staff training. This would require time and money. City staff had the desire. Leadership changes would be of assistance.

The Council would need to publicly embrace the culture change. He recalled the Council's trip to Glen View, IL. The Council initiated a belief that the private sector was able to do things better, cheaper and faster. The Council needed to back a culture change policy. The Council set the vision and must be united in its priorities.

He expressed his hope that now was the time for a culture change. He wanted to lead the City organization to become the best highly trained, high performing municipality with a balance of public/private services. He needed a mandate from the Council. The Council needed to have the vision and be unified around same. He hoped that the Council had read the document. The Council was the motivator. He was committed to the job. The City's senior management needed positive public recognition. The Council needed to stay the course. He cited the Town of Normal and its Uptown project as an example. The Council needed to be decisive and consistently support this change publicly and privately. Finally, he noted his personal struggle regarding how to transfer some personnel within the organization.

Mayor Renner stated his support. He recalled the individual meetings which were held over the summer. [REDACTED]

[REDACTED]. Some people would become supervisors, others line staff. The key was to provide consistent direction. Conceptually, the Council needed to be okay with this change. In addition, the Council needed to have the City Manager's back and not hang the City Manager out to dry. He stated he would not let that happen. Someone might be demoted and/or let go. The Council needed to have a stiff spine and support/affirm the City Manager's actions. The culture change was part of the City's long term goals. The Council needed to be united. The City needed to move forward. Mr. Hales needed to have discretion. There would be fewer department heads. There would be salary adjustments. The process would take several years. The Council needed to provide Mr. Hales with the room to make this happen with no public criticism. This was critical.

Mr. Hales offered to answer the Council's questions.

Alderman Stearns expressed her respect for the Mayor's viewpoint. She added her concern that this meeting did not comply with the Open Meetings Act, (OMA). A culture change should be discussed in public. She restated her belief that this meeting was a violation of OMA. She would not stay for the remainder of the meeting.

Mayor Renner stated that the culture change would also be discussed in public. He added that specific employees had been mentioned.

Alderman Stearns would not discuss supporting Mr. Hales in Executive Session. She restated her belief that this meeting did not comply with the OMA. In her opinion, the OMA had been violated; she planned to leave the meeting, and believed that the Council was wrong to be meeting in Executive Session.

Mayor Renner noted that the theme was to discuss where the City was going. Some specific individuals had also been addressed.

Alderman Stearns believed that over fifteen (15) minutes had been devoted to culture change at the City. This subject did not fall under reasons to meet in Executive Session. She restated that the OMA had been violated and she would not stay.

Lynn Montei, facilitator, addressed the Council. She believed that the recommendations going forward would address the subject.

Alderman Stearns restated that the OMA had been violated. She planned to file with the Attorney's General Office. She believed that the meeting was wrong. She could not commit to supporting a culture change. She would not talk about same. She had shared her concerns with Mayor Renner. She expressed her respect for the opinions of others. She would not violate the OMA. If the retreat returned to open session, then she would return.

Alderman Stearns left the meeting at 10:05 a.m.

Alderman Lower stated that the Council needed to address specific employees or he also would not remain at the meeting. Another option was to open the meeting. He added that in context, he believed that Alderman Stearns was correct.

Alderman Black stated that the Council could not have these discussions in public. The Council was discussing individuals.

Alderman Lower restated that the discussion must address specific individuals.

Alderman McDade expressed her respect to all. She added that Ms. Montei had helped her to see that the City needed to change. Specific individuals had brought this to the top. The challenge that the Council needed to understand was that there were ten to twenty

(10 – 20) individuals who were under resourced/utilized. She offered to put forward a specific list of names and stated names can be interjected if names need to be trotted out. The conversation going forward was to provide services that the citizens wanted at an affordable cost. The community was desperate for same. Mr. Hales had been working miracles. City staff was not equipped to do the job. She addressed a list of names and noted that several had been mentioned. People have driven the conversation to this point. She was willing to argue about specific individuals.

Mayor Renner noted that there could not be a thorough conversation. He disagreed with Alderman Stearns' comments. He would defend the Council's action. There would be a public conversation. The Council needed to talk about people.

Alderman Fazzini noted that Alderman Stearns had sat through a part of the meeting and then claimed the meeting was an OMA violation.

Mayor Renner acknowledged that he had spoken with Alderman Stearns regarding her concerns.

Alderman Fazzini stated that the Council was given an overview. The Council needed to talk about this. [REDACTED]. He believed that at least six (6) people had been mentioned during the overview. He did not see a problem.

Mr. Hales added that the discussion included employee performance. Performance issues were widespread. There were many employees whose performance was not where it needed to be.

Alderman Fazzini cited leadership.

Mr. Hales added that this would be the first place to rebuild. There must be better supervision and management at the top. He cited Administrative Services, Public Works and PACE.

Alderman Schmidt noted the conversation. She disagreed with Alderman Stearns' decision to leave. Council support for Mr. Hales was overdue. She expressed her support for the City Manager. The work culture was supported by individual performance. [REDACTED]. She understood that they were upper level staff and questioned their redeployment.

Mr. Hales stated that the Asst. City Manager position was critical. [REDACTED]. Modern day leadership required participation, building consensus, being innovative and creative. [REDACTED]. One of the Asst. City Managers should

have a public works, engineering and water background. In addition, this individual should have management experience, (i.e. keep priorities and move forward). [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Mayor Renner noted that City staff would be redeveloped.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Alderman Sage noted that the City would be asking directors who had been successful under the old ways to be successful under a new way of doing things. He questioned capacity. He cited issues of fairness from a leadership standpoint. The City should not be too quick to show City staff to the door. The City needed give individuals the opportunity to mature, evolve and develop the leadership requirements of today. Individuals had been successful under the old constraints

[REDACTED]

[REDACTED]

[REDACTED]

The Administrative Services Director would have strong finance and management skills. This individual would be responsible for a number of support services which service the Police and Fire Departments. [REDACTED] However, the City did not have the ability to wait. There was some urgency. These were critical positions. Individuals must have experience, expertise and assist with the transformation process. They must hit the ground running.

Ms. Montei noted the time: 10:33 a.m. Alderman Schmidt needed to leave at 10:45 a.m. Alderman McDade also needed to step out at some point. The agenda for the day included a general public discussion regarding a culture change.

Mayor Renner questioned if the Council had specific issues with City staff.

Alderman McDade questioned where the Parks, Recreation & Cultural Arts Department fit in.

[REDACTED]

[REDACTED]

Alderman McDade expressed support for Alderman Sage's goal to retain as many skilled employees as possible. She cited unintended consequences. There would be changes at the top. She knew what she had seen and heard and offered to highlight names on the City's organizational chart. She could identify the individuals who were the cause of problems. Good talented people should be retrained, redeployed and retained as part of the organization. City staff should be provided with the resources to be successful. She cautioned that under a new culture, the City could have bigger problems than it had today.

[REDACTED]

[REDACTED]

[REDACTED]

Mr. Hales noted that this would come out of the Executive Session.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The City needed new people with new ideas. A number of items had been talked about. There were a number of offenders to transparent government.

[REDACTED]

[REDACTED]

[REDACTED]

Alderman Lower expressed his support. He wanted it understood that he was not involved with, did not have a human resources background, did not have a large amount of management experience, and was concerned from a cost standpoint.

Alderman Fazzini believed that there would be costs involved.

[REDACTED]

[REDACTED]

[REDACTED]

Mayor Renner noted that sometimes you have to spend money to save money. The City needed to attract top people.

Alderman Schmidt left the meeting at 10:45 a.m.

Motion by Alderman McDade, seconded by Alderman Mwilambwe to return to Special Session and adjourn. Time: 10:47 p.m.

Motion carried, (viva voce).

Prepared by,

Tracey Covert
City Clerk