

**TRANSCRIPT OF BLOOMINGTON CITY COUNCIL
CLOSED SESSION: NOVEMBER 15, 2013**

Speaker Initials Key	
TR = Tari Renner	KL = Kevin Lower
DH = David Hales	SB = Scott Black
JS = Judy Stearns	JM = Jennifer McDade
LM = Lynn Montei	KS = Karen Schmidt
DS = David Sage	MM = Mboka Mwilambwe
RF = Rob Fazzini	

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.

Others Present: Lynn Montei, Lynn Montei Associates.

TR: Turn it over to David

DH: Thank you Mayor. First off is anyone, need an extra copy of revitalizing our City organization?

TR: Just to clarify if I can real quickly. This is when we had our two on one meetings last summer. David and I had several conversations about that cause now it's a new council, moving forward, what do we want from Department heads or are there some concerns, issues. What do we want to see as we move forward? So this is the genesis of what David has produced for us here...so we've had obviously the Todd Greenburg situation, and then Mark Huber is retiring this summer and some of the things that have happened of course since we had those conversations last summer.

DH: Let me first as we originally, I needed to give a little background first but we'll get to the meetings, discussions of specific names, individuals but, I think the one thing I think is a critical reality and some of the sessions I attended at the recent International City County Managers Association – some of those new realities is we're going to be constantly faced with flat or in some cases decreasing revenue. We may even in this community see a little bit increase here and there but nothing like what we've seen in the past. We went through a real growth spurt with a lot of revenue and a lot of expansion of staff, things like that. There is also this fact that some of our costs though, however, are going to continue to go up. Costs of commodities, services, things of that nature. But there is also going to be this constant change in society. We read a lot about the private sector and how quickly things are changing, requiring kind of a new set of not only values, principles, management but even employees to be innovative, creative, constantly trying to adapt to and to keep up with that change and help make sure that we're looking at any and every way to be more cost efficient and effective in the providing of services. Its, you know when I came here, the mandate from the council was very clear – we need to

get our financial house in order and because of the team effort, the efforts of the council by senior management, the employees, the unions and everything, we've made great progress and we still have a few tweaks to make but I think we have achieved a level of financial recovery that I think is something we can all be proud of. However, when I first came here I also heard a lot about the Bloomington culture and while I won't get into a lot of detail, as I learned more about how people were promoted, more based on seniority as opposed to competency, how we have really a dysfunctional performance evaluation system where everyone was graded outstanding or commendable, there wasn't that kind of honesty that was really not enough training being provided to help our employees and even our managers perform at a higher level. There was this constant when you look at even many of the employees, you see a lot of family members. It was oftentimes you got hired because of who you knew, there wasn't – we even saw this recently in the police chief. There has always been this kind of cultural thing – let's promote from within – you know there has been this resistance to outside ideas, a resistance to change, a resistance to try something new and it's always gotta be the Bloomington way and mindset, on and on and on. Well as this particular document, it was initiated with these conversations about individual department heads, [REDACTED]

[REDACTED] But as I continue to work on this and I do want to recognize the fact that Lynn has been a critical sounding board and she has assisted me as I tried to put together what I think is work on the precipice of I think needing to take a major step in transforming City government. And I just want to emphasize a major step because I think the future of Bloomington and the future of the City organization can be best served if we start looking at some very significant bold decisive culture change and as everyone knows culture change doesn't happen quickly, it doesn't happen easily and sometimes it is going to take resources but culture change is what I believe we need as a City administration, a City organization. We can benefit, I think it is going to put us in a position where we can be best poised to move forward with the direction that the Council shows and anything we might offer up, but I think even the community is looking for a high performing City organization, they are looking for more and more demonstration of customer service and I'll talk in a minute about internal customer service, and some of the serious problems we have in staff functions, trying to help the line organizations. I think there is also this constant need to be looking outside the box, looking outside the organization. What are some of the best innovative and creative measures being taken by other municipalities and even the private sector to again keep the costs as low as possible but still provide high level quality services which I see this community wants. They don't want mediocre. They don't want sub par. They continue to want high level service, and I think, I'm convinced too they want a variety of services. You know, this is a very well to do community that puts a high value on quality of life, in all its forms, and that is something that I think we see a lot of people willing to pay for but they have high expectations and we have I think the benefit of some of the big corporations, State Farm, Country Financial, the University, to kind of help thank for that. It is very important that as we think about specific changes we don't get too bogged down in individual people per se because I think a lot of positive good results have come from past organization, past people, but even when I was going back to the City Managers, national polls continue to show that you have about 20% of your employees in any organization, public or private, are not engaged and sometimes they can even be

destructive to an organization. Again, those are surveys showing time and time again that in any organization. You also have a small minority up there at the top, people who want to be visionary. They want to be proactive, they want to really excel. They have a passion for what they want to do and then you have a lot, 50% or something in the middle here, that this is a job they want, they're ok to come and doing their best. So as I put a lot of thought in this, really it is time for some major change, but it's the type of change that I can't do it alone. I can yes, champion, I can kind of move ahead with many of these recommendations, but it is going to take, first and foremost, the leadership at the top, that means the mayor, the council the city manager, the senior leadership team, have to be united, have to support and we have to be consistently supportive over the long term. Cause it's not a six month, not a one year, it's a multi-multi-year version. I heard, in fact I spent half a day in a session on high performing organizations back there and time and time again the examples I heard, it could be a 3 year, it could be a 5 year, you know, on and on, but I believe that one of the models we want to look at is the Baldrige Performance Excellence Model, and I'll pass this out in a little bit. But let's go back again in the closed session we want to talk about some of the specific individuals

[REDACTED]

TR:

[REDACTED]

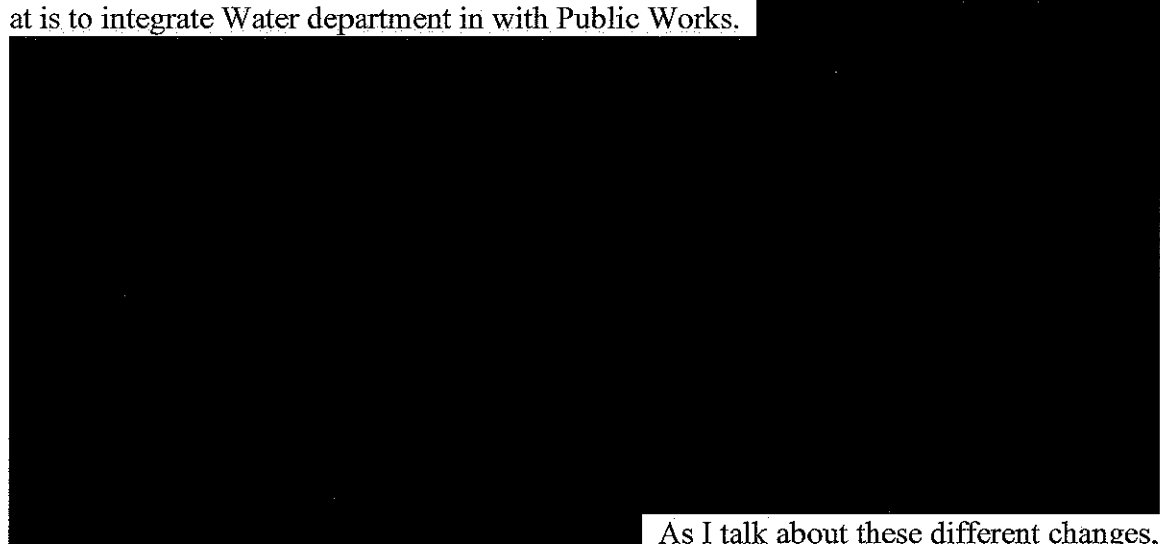
DH:

[REDACTED]. IT services, let me talk about another. We've got some good people but again the problem is time and time again the police department, the fire department, some of these key line departments are interested in using technology to do their jobs better, faster but they're slowing down. Yes, we have a major Munis system conversion going on, but also what I continue to see and I'm facing is resistance to going and getting outside help. There is this cultural mentality that we need to do it, we need to keep it in house. You know, it is something we can do. Yes I'll shift priority to kind of get this crisis or this thing done but there is this idea of we need to keep control of the work load. Maybe it's because of self preservation, you know security, things like that. But that is one of the things I continue to face. As we look at how to try to work on ordinance excellence, results oriented, measurements and these other things, in many cases I think there needs to be some of these changes.

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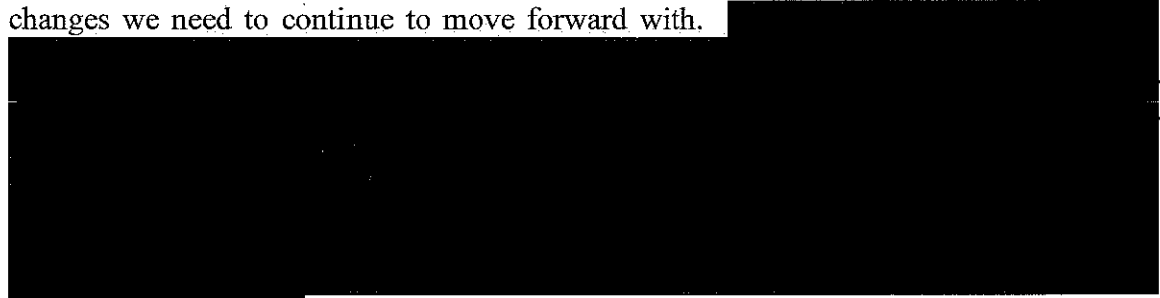
One thing I have been trying to do is and you'll see even with legal services, I'm bringing in some individuals to kind of look at what we're doing, how we're doing it, how can we do it better, what's that proper balance between internal legal services, outside legal services. Time and time again I've been advocating for be more proactive, don't just be reactive in the [REDACTED] we need to be more proactive in this day and age and that is going to be one of the higher expectations. You

will see some of these as we get the lay of the land, make sure we take care of their initial priorities but then start setting what's the goals for the future of the legal department. I believe that we can also best be served by making some organizational changes. In the community development department, well Pace department, I would like to come before the Council and submit an ordinance where we rename that community development. And one of the things I propose to do is that we hire a new community development director. We need to kind of re-energize the PACE department both in the building and safety but in code enforcement, in planning and even as it coordinates on economic development. Too often I've heard from people who have had interactions – we've got some great members of the staff – but then all it takes is one person to get in there and kind of really throw out a lot of negatives. Why we can't do this, why we can't do that, and sometimes those are happening with our people. So to me, that community development department is one where we need stronger leadership, we need some very innovative thinking outside the box and to help us really be much more aggressive and proactive going forward. I also believe that another organization change we need is to create an administrative services department where we have a director who can oversee the City Clerk's office, oversee the IT office, oversee the Human Resource Department and possibly even the Finance. This new director would be one to really manage, oversee these staff functions so that the needs of the line departments, the police, the fire, the public works, the parks and recreation, their needs are being met in a timely manner, that and we are getting the results we need and to be thinking much more in the creative, innovative process and if it's something we can't do, how can we use outside resources to get the job done and to address the priorities that we have. Another change I'm looking at is to integrate Water department in with Public Works.

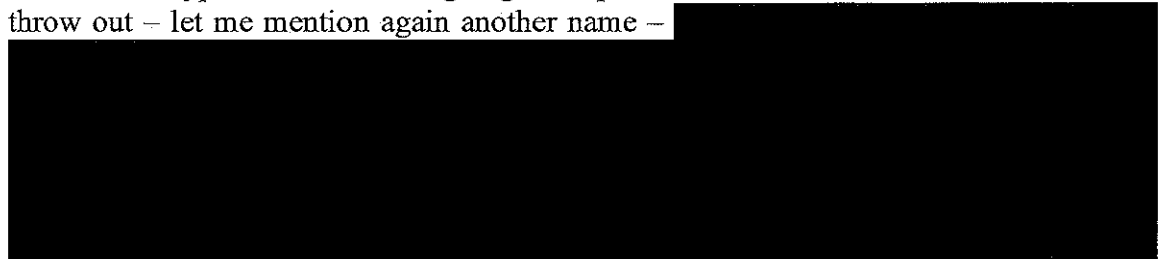


As I talk about these different changes, and I know I'm coming around, part of it is also to reduce the number of director positions. Instead of having, I think I was counting up maybe six different higher level pay directors, we would reduce that down to only 2 or 3. So we're looking at not only cost savings in eliminating these director positions, we're trying to put these together in some key departments. Let me get back to Public Works for a minute cause as we continue to focus going forward, we have 3 maintenance facilities. Parks and Rec has their maintenance facility, Water department has theirs, Public Works has theirs. I believe that for the future, you will see plans for a consolidated Public Works facility

where we achieve some high level economy and scale, both with fleet, with some of the yards, the physical facilities we need and organizationally, that's where again a consolidated Public Works, we need to start thinking in terms of that. We're working right now, just to throw out another one we've had some serious problems with Finance up in the Water department, some missing bags and things of that nature. We literally have a situation where I'm about to make a final decision that all of the cash receiving functions in Water need to be brought underneath Finance. It is something we've kind of been debating, things like that, but the controls are not there and on one hand I think people are trying to do the best they can but we have to put under expert higher level confidence directors and managers, oversight of these functions. These are some of the changes we need to continue to move forward with.



We've done some great success on this but also we need to continue to kind of push people. Again, there is that constant control, only I can do that. As we continue to work on these individuals, this reorganization, the changes are underway with [REDACTED]. I've also got kind of an organizational assessment that is nearly complete for the PACE Department. We're going to see a lot of turnover. And in that turnover it is a great opportunity to hire, hire more smartly and to hire competence and hire the people that are going to help lead those organizations. The culture of this City has not been good in putting people into higher level management positions and I kind of touched on that. But to do this I can't do it alone. I'm also suggesting that there be two assistant city managers that would oversee all the departments with the exception of legal so that I have two assistant managers reporting to me, I'd still kind of oversee legal, but these assistant city managers, there is several reasons for looking for people, I need people that are experienced, people who can come in from the outside who have been there, done that and have a passion and a commitment to high performing organizations to make the necessary changes and to help train people to deal with to help those people who are on staff to make the changes necessary. As I think about these people, one it will help me kind of continue to be more of an asset and a resource to you, to engage more with the other government, intergovernmental cooperation is key and it is just like as we talked about the Public Works, we try to with fire services, we've got to continue to engage Normal. To help ensure that we can provide quickness, highest quality service. This kind of type of assistance is going to help me be able to do that. Let's see I want to throw out – let me mention again another name –



[REDACTED] Let me say this, as we continue to talk about the budget, I do want to throw this out. Whatever number of employees we have, I think we need to invest in them. We need to invest in the managers, we need to invest in the rank and file and we need to make sure that if we're going to have a robust customer service initiative, if we're going to have a robust performance of excellent service, let's be the best we can with whatever number of resources you give us. Unfortunately, we're lean but we're not very fast. We're lean, but the quality isn't necessary as it should be and as we keep looking at it, do we raise revenue, do we make cuts, what is that balance. I'm a firm believer that irregardless of the level of number of employees, we should have the best employees we can. And it's going to have to start at the top. There is a lot of uneasiness right now with all of the directors. They sense, even as I talked to them, they're feeling like there is change. Just as with this situation [REDACTED], but in my mind, I think we can convert that to a much more positive. There is people in this organization that have some great ideas, that are very passionate. The one thing you saw in these surveys, in this feedback, that people are excited in, with some of the new hires. You look at a person like [REDACTED]

[REDACTED] We lack too often in our management staff some of these same qualities that you see so much with the millenials coming in. But let's not look at changing all those, let's invest in more training, let's invest in helping if people have that desire, that willingness, so I definitely want this balance. We need some changes in some of the leadership, some of these consolidations is going to help, but we also need to make sure that we as an employer should invest money, invest time, in these employees. Let me come back to the Council though, I think the most important thing you can do is not just embrace this privately, but embrace it publicly. Some of you may recall when we talked a lot about Glen View and their managed competition. We went up there as a group. What was amazing to me is even the mayor and the city manager said, that didn't start with the city manager, that didn't start with the employees, that started with the council. The council said they were convinced that the private sector, people from the private sector could do things better, cheaper and faster and so they were united and the energy, the inertia, the policy backing, started with the council. When I went to Kannapolis in 1997, it was the council that set the vision. They said, we've got to be strong, we've got to be a much more competitive city in the area of economic development, we need our own business part, we need to do this. Once again you had a council that had the vision. You had the council that was united by their priority that, city manager, this is what your marching-orders are. My greatest hope is that over the next two days and beyond, that if in fact you feel it is time for a culture change for us to take that next great leap, taking the City of Bloomington organization, both management and employees, cause it's widespread, you know, it's just not any one individual, but to take this organization and have it one of the best highly trained, high performing, yes still lean, and a balance of public and private sector services, but if that is key to our future, and that's kind of a mandate you want to give me, what I need, what the organizations needs, is to know that the Council, this is a Council vision as well. This is what the council feels we need to do and this is what the council is unified around. We've got to be very careful and as you read this document, there is specific things I ask for the Council. You're in it as much as a motivator of staff and staff

morale and staff commitment to the job as I am. And frankly right now a lot of the senior management is yearning for positive recognition in public. They want to see the council have the consistency, so that if today we're going to embark on this major initiative, you don't change your minds six months from now, a year from now, two months from now. And that is one of the great things I think as we look at the Town of Normal, we've often talked about their downtown. They've been consistent for 10 or 12 years and to me, in the 5 years they've never wavered from that. We need to be decisive today, but we need to be decisive next year, we have to be decisive before an election, we have to be decisive after an election and I need, I need your support, publicly and privately. Let me kind of stop for a minute, let's use this closed session, I'll be happy to kind of respond to any questions you have about our personnel, some of the challenges, there are still several people I'm still struggling with. How can I use them in the organization in some other capacity other than what they're in.

TR: I wanted to say that this, I wholeheartedly support what David is doing here and I think this comes out of much of our individual meetings over the summer that we had, and I hope that we can go forward and embrace this, it will mean though, as David suggests, there may be people, and I will mention briefly about [REDACTED]

[REDACTED] So there will be changes and sometimes people may bristle at them. But if we're giving David the consistent direction, if this is what the council feels. And again in my individual conversations with you, the 2 on 1s we've had, I think, it seemed as if, at least conceptually the council was okay and wanted us to move ahead with this. But we need to have the City Manager's back and he is going forward, and then begins to move on something, some and let's say some body is demoted or may be even let go as a supervisor, that even if we get a couple people who complain, who are friends of theirs, that we have our spines stiffened and we say this is part of a broader cultural change and as a Council have approved this. In the long term, these are our goals and so I think that is really really critical cause if we are agreeing to go down this path, we can't hang David Hales out to dry and I won't let it happen in public. Just saying, if we're united on this, we need to move forward. Again, some things we also need to give David, I think since we're going beyond 5,000 people, we're gonna need to give, follow up with David having some discretion with some people that we not have as many high department heads, some people will, may be moving money around in some cases we may need to pay people a little more further down. At the end of the day it might be revenue neutral, might cost us some, but just giving David the flexibility to make this happen and not just at once, but as you say, this is going to happen over several years, so keeping in mind that [REDACTED] or something, that they're not under administration services, we may need to hire that person at \$10,000 more but then over her we may save \$10,000, but giving David the room to breathe to make this happen and frankly then, also not criticizing him in public as it happens. That's really really really critical. Anything else David?

DH No, I'd be happy to answer any questions you have about anything in the program, specific things...

TR: Questions...Alderman Stearns

JS: Tari, thank you I certainly respect your viewpoint and of course your viewpoint Mayor. Number 1, I have a huge concern that this conversation does not fall under the Illinois statutes that apply to closed meetings. We are talking about culture change, we're talking about supporting David, we're talking about things that I strongly feel should be discussed in public.

TR: And I think we're going to do that too.

JS: I think this really in violation talking about culture, I'm not sure I can stay because I strongly feel that this is not the subject for an executive session. Specific personnel matters, not the culture of the City...

TR: We are dealing with two things at once right now, we're going to talk about culture change in public too, but right now we're also talking about specific individuals...

JS: I can't talk about supporting David Hales in an executive session. To me that is not personnel, it's not land purchase, it's not anything that falls under the Open Meetings that...

TR: And we are going to talk about that when we go out in public too...

JS: We've already violated in my view and perhaps I should leave because I will not, I will not make commitments like this in private because I think it is wrong.

TR: I'm talking about the theme of where we go, right, and I think because this discussion was going to necessarily deal with some specific individuals, it is separate from the next one...

JS: But it hasn't, David talked for 15 minutes and it didn't have anything to do with anything about the culture and the change in the City and that does not fall under executive session.

TR: And then we talk about that in public as well, but it was, the discussion there, as I understood it here is that...

JS: I won't violate the Open Meetings Act and I can't stay because I think we're completely outside...

LM: May I make a recommendation...

TR: Sure...

LM: That any questions hence forward only relate to those specific subjects.

JS: I feel the open meetings act has been seriously violated and I plan to file this with the attorney general in Springfield or, you know, whomever because this is wrong. I will not commit to anything like the culture change and supporting it, I will not do that...

TR: We're talking about it, so anyway...

JS: I'm sorry I'm filing an Open Meetings Act violation, this is wrong. I shared this with you on the phone. I have all the respect in the world for everyone else's opinion here but I will not violate the Illinois states and the open meetings act and I am filing this because I think its wrong and I will return this afternoon if we're open

LM: We'll be open in about five minutes.

KL Terry, I agree, ok?

TR: But do you understand why at this point we were trying to talk specifically...

KL I do, I do, but we need to be talking more specifically and not so broadly

TR: But maybe Lynn's comment, is...

KL I'm willing to stay but I'm not gonna stay if we're not going to be specific about it, we need to open it up and let the public in.

DH: Let me just say this too...

TR: Let's Scott's point, Scott go ahead

SB: We can't talk, have this conversation at all without having discussions about specific people.

KL: I understand, but she's right in context, she's correct because...

SB: I can't speak to what her point is, but we can't have this discussion in public because we are talking about specific individuals. We're opening ourselves up to lawsuit

KL We're only support to be talking about specific individuals, that's...

JM: And specific individuals, Kevin and I, if you would for a moment, you know, I have to again, I respect everybody in this room, but I am at a point of, you know, Lynn spoke earlier about we really need to change, and as someone who has sat now through 5 or 6 of these meetings, it is specific people that have brought all of this to the top. We have heard names now, but keep in mind I would challenge you to understand that there are, for each one of the individuals you heard about, there are probably 10 or 20 sitting in those departments that have been under resourced, under evaluated and so on. We can put forward specific lists of names if that makes this conversation more palatable to

anyone and David in fact has done that, but what I would say is all of the conversations we would like to have going forward today about how we're going to continue to provide the services that our citizens want at the prices that they can afford, we are at the point where we are desperate for this. David has been, quite frankly, working miracles okay, because of the, he's been making all of this happen with staff, plural, of people that are not equipped to do the job. End of story. So if it's about trotting out lists of names, specifically, we can do that, you've already heard several of them, but you know, the bottom line is like Scott said, this conversation, you know, we can interject all the names you want because it's those people that are driving us to this point, we have to have this conversation. So I would argue that this is a conversation about specific people.

TR: I think, it is, as Scott said, it is hard for us to discuss because we can't really have a thorough conversation we need to have if we don't talk about specific people...

JM: Yeah

TR: And I think that's why I would disagree with what Judy is saying and I'm not an attorney, I would defend this in public, I would defend it to the attorney general. I realize there might be, we're gonna have conversation about after this, but for us to honestly have this kind of conversation, we're going to have to talk about people. That's why I agree with Scott, I don't see how you disentangle, I'm sorry, Rob.

JM: That's what I meant.

RF: If there is an open meetings act violation, Judy is part of it because she sat through the whole part, ok. That's a start.

TR: Well she did stay for the beginning...

JM: She took notes, she took notes too...

RF: She sat there

TR: But her conversation with me yesterday, and I will acknowledge, she said she had some concerns about it, I said I don't think, I think you'll see where the conversation where we'er talking about specific people. -

RF: That's fine. All I'm saying is she sat through the whole thing, ok, but when we did the overview to say we need to talk about this, we talked about

so we have had conversation about 6 people during the overview and the overview was to lead us to talk in more depth about the people, those 6 and maybe more, I don't see how it's a problem.

DH: And I do say too, again, you can talk about the performance of employees in closed session, a lot of what I'm saying and given the context is the performance issue is

widespread. These individuals, there is many employees performance that is not where it needs to be both even on an individual basis in these departments, but...

RF: It all comes from the leaders

DH: Yeah, and the leaders have to be one of the first places where we start to rebuild and improve that performance, starting from the top, starting with these organization changes, providing people with better supervision and management, [REDACTED]

TR: Go ahead, I'm not sure

KS: I kind of want to bring it back to the conversation, I disagreed with Judy leaving but that is her decision. I'm very supportive of what you are doing David, I think it is overdue, I know it is going to be difficult and to the extent

RF: You're leaving too?

SB: I'm not leaving

JM: I was going to say, sorry...

KS: Forgot what I was saying – to the extent that you know we can provide you with support I certainly am in with this. I recognize it as the truth and many things you are saying about the individuals you've mentioned and about our culture and I think we've all heard it from the people we represent and just individual examples. I want to add specifically about your recommendation about two assistant city directors...

DH: Assistant City Managers

KS: How it plays out with [REDACTED] and you've got [REDACTED] and I'm trying to understand your upper level organization and how you might redeploy people.

DH: Let me talk a little bit about [REDACTED]

[REDACTED] The leadership of the directors or even the assistant city managers, has to be one in this modern day and age where it's got to be a lot more participation, you have to build that consensus, you have to build, you know, the top leaders, but you also have to be very innovative, very creative, and too much of [REDACTED]

KS: [REDACTED]

DH: [REDACTED]

KS: So am I also hearing that new assistant city managers might come from outside the organizations, or you having, you're not that far along?

DH: More than likely. As an example [REDACTED]

I can't understate the challenges of bringing water, which is a big department in and of itself, into the rest of Public Works and [REDACTED] Those are some of the thoughts I'm looking at there.

KS: Thank you.

RF: Is it possible to take the union activity that is now with HR and move that under legal when you're reorganizing legal and let HR be purely HR?

DH: Very much so. I'm looking to try and separate the two. The lead negotiator, you know, can't be saddled any longer with all the HR duties, because the other HR functions are not getting the time, the attention, the looking for how to continuously improve and [REDACTED] But that somehow we have

got to separate that. It may cost us more, it may mean two positions instead of one, but that is one of those issues where, you know, when we talk about reducing people, we've got some of these people coming in from the outside would be foolish to think that they could come in and sometimes do the same job because we're just not doing everything as well as we should cause some of these people like [REDACTED] just have too many duties and responsibilities.

TR: Go ahead.

SB: Two quick points, uh, we want to look into the legality of that, my understanding of the HR function, it has to be involved directly with , it can't separate parse that into a legal department but we can sort that out at some point. My concern having been new to the role it is surprising to me how frequently there is bad blood on something that happened 10-15-20 years ago

KS: Yeah that's true.

SB: People are still mad about that but that bad blood extends because the person whom they dealt with 15-20 years ago is now moved up the ranks and that's what you're talking about, and I think an outsider coming in for specific positions that you're talking about is absolutely something that I'm on board with and I think as we have this conversation about specific people as we're talking, because were keeping with the Open Meetings Act here, I would like especially for the [REDACTED] the director levels, that we have that conversation in executive session with the Council and you there.

DH: Uh huh

SB: I think that would be, we have to have your back at this point in a way that we can do that

KS: Can you say that again Scott?

SB: So when we have the conversation say with [REDACTED] I think it would be to your discretion appropriate, I think the Council should be here to have that discussion with [REDACTED] Especially with high level, I'm not talking about managerial...

TR: In executive session?

SB: I think in executive session we talk to [REDACTED] about why this is happening, what the questions that [REDACTED] has...

TR: That would be a little unusual though, the entire council to talk to one department head?

SB: I'm specifically thinking of [REDACTED]

TR: Think that would be your suggesting that would be easier [REDACTED]?

SB: I think it would be...

TR: Or maybe easier for David...

SB: Easier...the other thing I also want to stress is attrition and we are at a position that to me our biggest challenge moving forward is how can we fill some of these roles with experienced people who have those creative ideas because that is not an attractive, you know, on paper, cannot be an attractive position. You are going to have to work with a lot of very few resources, very angry people, trying to work all this out and I would hate to lose [REDACTED]

DS: [REDACTED]

SB: [REDACTED]

TR: [REDACTED]

SB: [REDACTED]

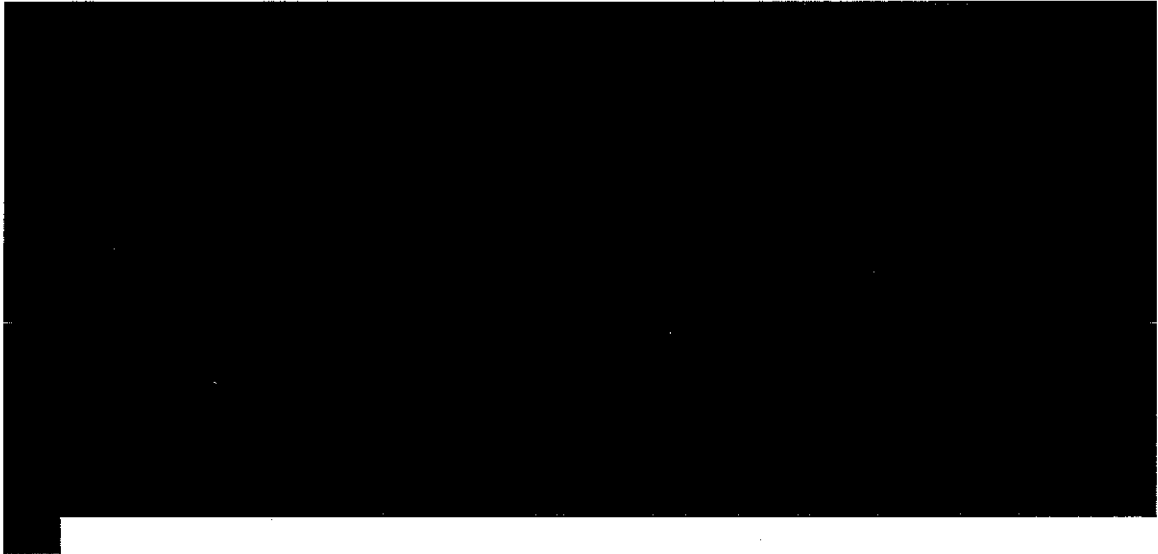
DH: Let me just say I do think it is a little bit more my responsibility but I have talked with Lynne a little bit of ways we can maybe coach with [REDACTED]

TR: [REDACTED]

DH: [REDACTED]

TR: [REDACTED]

DH: But you know there's more than just, there's advance preparation. Let me just say one other thing before I talk about another individual, to kind of show you the organization,



DS: I mean, I, the task that you are trying to do, it's difficult, right, and let me say what I mean before concerning collective bargaining agreements right, I mean from near as I can tell for all the years that Tom Hamilton was here basically that the CBA was the unions would come in and we would go okay we give you a 3 year contract at 3% each year and that was kind of, end of the process, right?

DH: Yeah

DS: I mean and so the demands placed on Emily from a CBA perspective are completely different now.

DH: Total turn around and she was the brunt of a lot of criticism for the employees but the direction was coming from the council in private, in closed meetings...

DS: So the point I'm trying to make is that we're asking directors who may have been successful in some capacity under the old way of doing things...

DH: Right

DS: To be successful in a new way of doing things...

DH: Right

DS: And they may not have the capacity or the bandwidth to do that...

DH: Yes

DS: So I guess I want to talk a little bit about the issue of fairness right from a leadership standpoint. We can't be so quick just to give people the back of the hand or show them the door if – we have to give them the opportunity to show if they can mature and evolve and develop and to the leadership requirements of today, right. So you can't just come in and go you suck, you're fired. Well no, because they were being successful before that given the kind of constraints and circumstances they were dealing with.

DH: Let me, use the example of

[REDACTED]

DS: Then the other point I was going to make is I'm gonna give you due credit when I look at this staffing decision that you have made the last few years. I'm thinking [REDACTED] when you had the opportunity to kind of navigate through and deal with some of the legacy, some of the holdover if you will from the previous city manager, I've seen you upgrade in my opinion those positions and most of the time they happen to come from outside of the organization. I mean what you're talking about and suggesting conceptually is not unlike what you've already been doing the last few years when trying to infuse some new blood if you will in the organization.

DH: Let me throw out one other name, [REDACTED], I think sometimes...

RF: I was just going to throw that out...

DH:

[REDACTED]

RF: Not now

DH

[REDACTED]

[REDACTED] Administrative services too, I've got to have someone that is coming from a finance an IT and really has some good strong management. Because we're talking about a lot of support services there that are key to police and fire and could he maybe learn on the job – maybe, but I think, I'm not sure we have the ability to maybe wait enough time. I'll throw out another term – I just feel that sense of urgency, some of these positions it is too critical that we've got to bring in someone with a little bit more that has the experience, has the management expertise, can help in this transformation process. And to do it hitting the ground running. So but on the other hand, he is a great asset as the assistant to the city manager which is his role right now.

LM: I just want to point out that it is 10:33 and we said we would have a break at 10:30. If you're ok, we don't need to take it but Karen has to leave at 10:45. I want to be sure that, and also Jennifer has to step out so for any part of the more general conversation about this document that might be in public session.

TR: Discussion later but since we got Jennifer, Scott and I believe Rob? Why don't we finish with those and if anybody has any last comments about the specific people and issues then we'll finish this part

JM: So, I just have a couple questions, one you didn't mention anything about Parks and Rec so I just wondered where you see them sitting in this

DH: I still see them as an independent department. [REDACTED]

[REDACTED] Ultimately, however, I want to continue to see Parks and Rec with the new Public Works department continuing to look at how we can kind of merge some of those equipment, maintenance, other types, units, but he is also one that I see part of this kind of trusted circle to help strategize, how do we kind of get buy in, he's one I've talked to him about, sitting in on a small circle of people to help plan out how do we implement this.

JM: Ok, so I just wanted to tack on to something Dave Sage said about, there should be a goal of retaining as many skilled employees as possible, that is going to get very difficult I think as you know, these are the unexpected consequences, right. But you know, as you start to make changes at the top, I truly believe what I said earlier was you could hang work charts all over the wall and you probably go through with a yellow highlighter just on the basis of what we know and what we've seen or what we've heard and let you know what you've seen, what you heard, and you could probably, we all could do this at the places we work too, so but you could identify the people very far, deep into the org chart which is why I think this conversation is perfect for executive session, that are causing you the problems in most departments, but there is going to be a lot of names on

that list, that those are good people, they are talented people, and with some retraining or redeployment absolutely want to keep them as part of the organization because if you don't take that approach, you don't provide them the resources to be successful under the new way of doing things, we're going to have a much bigger problem than we do today. So I would just say, you know, the last thing I'll say too is you know, I fully agree that a lot of these individuals were successful under a former city manager, or a former way of doing things, and one of the things that people hate about government right is that we can't, like the private sector, sit in a room and have these conversations about here is how we're going to turn this thing around. And that is what this conversation ultimately is, you know, and happens in the private sector all the time I think, they sit in a room and talk about people in the organization that are causing problems and they come up with strategies to try to move pieces of the organization more in line with where they need it to go. So I think, you know, part of our job in doing that though is, maybe it wasn't said well earlier, not that you didn't say it well Mayor, but support David apparently could cause some problems, but I think what you are really trying to say is, you know, that we as a team have to get our act together to, it's not really supporting David, it's supporting a strategy that is about shifting the city to the place that a lot of our residents have told us over and over again they want it to go. And you know, I go to an experience I had yesterday where we interviewed a really talented, I'll bring this back I promise, person for the Economic Development Council...

DH: Mention his name. Get that on the record.

JM: Another name, [REDACTED] and in my bag I have his presentation and resume if anyone would like see it, Tari met him yesterday too, and he's excellent and I felt very early on that we were selling the community to him as much as he was selling himself to us and so to be able to address, we have talked about many people here, I could list their names if you like.

TR: I've got 19

JM: Wonderful – all the 19 people plus, plus, plus, that we've talked about, but in order to then bring some new faces in the crowd that are going to really re-energize and transform this organization, I think we as a team, what we are trying to say is, we've got to get our act together and we have to make this look like a place that people want to come to work every day because hopefully we will be attracting some people maybe with a lot of experience in other cities or even from the private sector that have worked in very different structures before and they can bring a lot of benefit in but we're not going to get those new people and those new ideas if they look at this council and they see the same old Bloomington and they look at this council and they, questions that I had to answer yesterday by this gentlemen, he's not going to pick up his whole family and move them here from Arizona if he doesn't think the people sitting across the table from him are giving him a straight story about what is going to happen when he gets here. He doesn't have to move – none of the types of people we want to hire to replace these people that we're talking about are the people that have to have these jobs. We need them to want to have these jobs and there is no way in heck that is going to happen if we show up every

other Monday night keep up with what we've been up to lately. You all know that. So I'm done.

TR: Thank you. I couldn't have said it better actually, and I didn't.

JM: I think that is what you were trying to say and I'll explain that to Lisa Madigan when I get the opportunity.

TR: You may have to.

SB: Kind of like David Sage's point and Jennifer's point as well, one of the phrases talked about in my new job is help them grow, watch them go, talking about [REDACTED]

[REDACTED] Speaking strictly of names, you know as we have this conversation we talk about the high level folks, we sat in a room in May and talk about accountability and [REDACTED] I just hate it when director level employees blame their staff for missteps. That is unforgivable, you are accountable for your staff and it's not because someone didn't get the message, that's where you are, and so we talk about director level that is going to be the key thing – you are accountable when we talk about having assistant city managers, I want to be able to put people in connection with each other to get something done. And nobody likes the run around – I get emails all the time I need to talk to this person, they transfer me to water, then they transfer me. That's got to be fixed, and I think that you're going down that route but from my – I will go to bat for you in public on this as long as that is

DH: And I think that those are the types of things as we come out of closed session...

SB: Absolutely

DH: When we talk about levels of service and some of these other higher level things

RF: One of the issues with [REDACTED]

DH: [REDACTED]

RF: [REDACTED]

DH: [REDACTED]

TR: [REDACTED]

RF: [REDACTED]

SB: [REDACTED]

RF: [REDACTED]

KL: Once we move to our transparency we may not have all of these issues

JM: Honestly, we can, I think, and this is what I was trying to say earlier and maybe I didn't say it very well. You want me to make you a list of names of people that are keeping us from transparent. None of them are sitting in this room, [REDACTED]

[REDACTED] It's not David Hales and it's not this Council. I'll tell you that, I promise. I have, I know there is a lot of new people here and they have great new wonderful ideas, many of which we haven't heard before, but believe it or not some of the things you brought me here we've talked about over and over again. So the list of offenders, honestly, from keeping us from that transparent government that you're looking for – those are the people we're talking about.

TR: Right, well actually the day after the election, or 2 days after the election Chris Koos and I had a joint press conference starting us off division street and shook hands when we were in there with a couple of reporters and had conversations off the record and Chris had said boy you've got a piece of work over there, don't you Terry. We talked about the clogged arteries and they were [REDACTED]. That was a conversation I had with you after the election, the day after...

DH: Uh huh

TR: I said you know, I know [REDACTED] the least in terms of direct information but these are the things I find that sort of word on the street. So, I support this. Anybody?

RF: The timing, your point is well taken. This meeting in my bank was held in my home with my key people. So we could talk as openly as we wanted and make decisions that, the main decision wasn't do we go or let them go, we had that decision, the main topics and the main amount of time we spent was how do we do it. How do we do it gently so we have as few unattended consequences as possible and we treat people fairly. Because if you've been here 20 years it's not up to us to say you're no good any more. So from my standpoint, are we talking about in 2014 or are we talking about over the next couple of years we're going to start shifting, give me an idea of timing a little bit cause that's important to me.

DH: Well, in fact, I think what, when we come out of closed session I think during this retreat I would like to talk publicly and again go over again this need for a new discussion about the changes we need, big changes, customer oriented. We can talk about that. Frankly,

what I'm looking for is, is the Council committed – a 5-4 vote is not acceptable to me in this case. What I really need...

RF: Yeah but David...

DH: What I really need is your support so I can begin that....

RF: If you say I'm going to do all of this in six months I'm going to say I don't think so.

DH: I haven't said that, I haven't said that.

RF: That's why I'm asking you

KL: Well the only wrinkle here that I...

DH: In fact I will say this, these other changes, hiring, creating the administrative services department, I do see that in six months.

RF: Ok

DH: Combining Water with Public Works – is in the next six months. Trying to hire the assistant city managers, probably over the next 12 months. These are some of the key decisions, you know replacement of Emily and her coming retirement over the next 12 months. So I say these key personnel changes, where [REDACTED] go in the organization, within the next six months. These are things – I've got to start working with the staff, help them understand what's the vision, what's the strategic plan, what are the major changes and especially if they're impacted by maybe taking out of a directorship I see that in the next six months.

RF: You do, okay

KL: I'm just scared of the expenses that's my big, I'll support you, I understand...

DH: Uh huh

KL: – And I'm probably the newest guy here, I'm not involved with these personalities and I'm certainly don't have the background that Scott has. I'm not, I don't have a huge amount of managerial experience. But from a cost standpoint I'm scared.

DH: Uh huh

KL: Ok?

RF: It could cost a couple hundred thousand dollars over the transitional period.

DH: The one thing I would say is I'm scared from a cost standpoint if we don't make these changes...

KL: And I recognize that

DH: Because as we talk more publicly, you know the kind of cost savings you want I think are not in personnel geared – they're in programs. We can't get to the big dollars unless we start looking at cutting programs. Now these cost efficiencies and being able to manage more effectively, squeezing kind of the last dollar out of new processes and things like that, that's going to be incremental savings over time, hopefully more savings up front, but we need managers to work with employees and say we've got to start thinking of a new better, cheaper, faster way of doing things and let's start thinking, it doesn't just always have to be us. The police for example, one of the biggest challenges we have with that union, they're refusal to allow volunteers to come in and do some of the work. I'll bring in a collective bargaining and that's probably going to be the same with much of the other unions. Union rules have probably one of the greatest impact on greater cost efficiencies and if we can't get the council to support going to the unions and say you know what, here is the savings, but we need people to show them the savings, that are going to be able to stand up to their business agent on the other side that is sharp, that knows the numbers, that can kind of refute that, etc., etc. But there is so much protectionism to union rules and regulations that are costing us much more money, we're not going to get that in a month or two. It may take 2 or 3 years but we need to start engaging and we need people with the skill set that can help us say these are the cost savings if you will work with us. We're not talking about losing personnel, but we're also not talking about adding personnel. We want to make sure the number we have can do the job and do it as cost efficiently as anyone in the private sector can do.

RF: If I give you \$100,000 for example on the plus side...

DH: Sure

RF: [REDACTED] We have \$25 million dollars every day that is excess funds. We're investing it in .03% so does the Town of Normal and so do places all over the place. There is a source where you can get .43% at that time and now it is .34 – we are earning \$100,000 a year more because I brought another bank into the fold, introduced them to David and Patti Lynn and they looked at it and said wow it's FDIC insured and we can change any time we want and we're now going to earn \$100,000 a year now more, [REDACTED]

KL: Ant that's one of my points, we should have been doing that other [inaudible] funding some time ago and probably the union issues is what held that all up too...

RF: I agree with David – we can't afford not to spend a little extra money...

TR: Sometimes we have to spend money to save money, especially if we're getting really good top people to help make the organization more efficient and effective, but any way I think at this point we will, motion come out of executive session?

JM: So moved

MM: Second

TR: Second by Alderman Mwilambwe. All in favor signify by saying aye

Council: Aye

TR: Opposed? Ok, it is unanimous and now we are adjourned.