

**CITY OF FREEPORT, ILLINOIS**  
**MONDAY EVENING**  
**CITY COUNCIL MEETING**  
**DECEMBER 1, 2003 AT 7:00PM**  
**CITY COUNCIL CHAMBERS**

**QUORUM**

At 7:00pm, a quorum being present, Mayor Gitz called the meeting to order.

**RECORD**

Present were Aldermen Wright, Bender, Varner, Clark, Dawson, and Boldt. Absent were Aldermen O'Neill and Gaulrapp.

**PLEDGE OF ALLEGIANCE**

At this time, the Pledge of Allegiance was led by Alderman Wright.

**APPROVAL OF AGENDA**

Alderswoman Bender moved, seconded by Alderman Varner for approval of the agenda. The motion carried.

**APPROVAL OF MINUTES**

The Journal of the Minutes of the regular meeting held on November 17, 2003 was presented for approval. Alderswoman Bender moved, seconded by Alderman Dawson for approval of the minutes. The motion carried.

**CONSENT AGENDA**

- A. Approval to Receive and Place on File:
  - 1. Community Development Report
  - 2. Community Development Cash Receipts, November 2003
  - 3. Community Development Building Permits, November 2003
  - 4. Treasurer's Monthly Investment Report for period ending October 31, 2003
  - 5. Treasurer's Report on Cash for period ending October 31, 2003
  - 6. Treasurer's Tax Receipts for period ending October 31, 2003
- B. Approval of Water & Sewer Disbursements for December 2003 - \$811,176.21
- C. Approval of Bills Payable for November 2003 - \$190,330.63
- D. Approval of Payroll of Period ending November 15, 2003 - \$298,597.53

Alderman Bender moved, seconded by Alderman Varner for approval of the consent agenda. On the roll call of yeas, Aldermen Wright, Bender, Varner, Clark, Dawson, and Boldt voted yea. The motion carried.

**1st READING**

**ORDINANCE #2003-83**

**AN ORDINANCE FOR THE LEVY AND ASSESSMENT OF TAXES FOR THE FISCAL YEAR BEGINNING MAY 1, 2003, AND ENDING APRIL 30, 2004 FOR THE CITY OF FREEPORT, COUNTY OF STEPHENSON, AND STATE OF ILLINOIS**

Alderman Clark, Finance Chair, stated that the committee held a meeting on November 24, 2003. The administration presented two levy proposals. One would voluntarily comply with tax caps but reduce funding to the corporate account by \$17,000. The other would hold the corporate funding level, but exceed the CPI index. The committee voted unanimously to approve the levy that voluntarily complies with tax caps and Alderman

Clark so moved, seconded by Alderman Wright. This ordinance was automatically laid over to the next regular meeting.

**1<sup>ST</sup> READING**

**ORDINANCE #2003-84**

**AN ORDINANCE FOR THE LEVY AND ASSESSMENT OF TAXES FOR THE FISCAL YEAR BEGINNING MAY 1, 2003, AND ENDING APRIL 30, 2004 FOR THE PUBLIC LIBRARY OF THE CITY OF FREEPORT, COUNTY OF STEPHENSON, AND STATE OF ILLINOIS**

Alderman Clark, Finance Chair, stated that this levy was presented at the October meeting. The levy is almost identical to last year's budget. The committee voted unanimously to approve this ordinance and Alderman Clark so moved, seconded by Alderman Wright. This ordinance was automatically laid over to the next regular meeting.

**1<sup>ST</sup> READING**

**ORDINANCE #2003-85**

**AN ORDINANCE AMENDING CHAPTER 220 (COUNCIL) OF THE CODIFIED ORDINANCES OF THE CITY OF FREEPORT, ILLINOIS**

Alderman Boldt, Public Works Chair, stated that the committee held a special meeting on November 25, 2003. The voted unanimously to amend the ordinance to state that "All appointments made by the Mayor shall be submitted to the City Council three business days prior to confirmation..." and Alderman Boldt so moved, seconded by Alderman Varner. This ordinance was automatically laid over to the next regular meeting.

**APPOINTMENT**

Pursuant to Section 232.04(b) of the Codified Ordinances of the City of Freeport, Mayor James Gitz, hereby appoints Mr. Thomas Dole as Street Department Superintendent for the City of Freeport.

Alderman Bender moved, seconded by Alderman Dawson to accept this appointment. On the roll call of yeas and nays, Aldermen Wright, Bender, Varner, Clark, Dawson, and Boldt voted yea. The appointment was accepted.

**APPOINTMENT**

Pursuant to Section 232.04 (b) of the Codified Ordinances of the City of Freeport, Mayor James Gitz hereby appoints Timothy Mahoney to the Airport Commission. Mr. Mahoney shall replace James Bruehler. This appointment shall be effective until November 30, 2008.

Alderman Clark moved, seconded by Alderman Varner to accept this appointment. On the roll call of yeas and nays, Aldermen Wright, Bender, Varner, Clark, Dawson, and Boldt voted yea. The motion carried.

**REAPPOINTMENT**

Effective immediately, James L. Gitz appoints Marg Blum to the Airport Commission. This appointment shall be effective until November 30, 2008.

Alderman Clark moved, seconded by Alderman Dawson to accept this appointment. On the roll call of yeas and nays, Aldermen Wright, Bender, Varner, Clark, Dawson, and Boldt voted yea. The motion carried.

**RESOLUTION #R-2003-69**

**RESOLUTION TO ENTER INTO LETTER OF AGREEMENT WITH GEORGE K. BAUM & CO. FOR SERVICES RELATED TO THE RESTRUCTURING OF SERIES 1995A AND 1995B COLLATERALIZED SINGLE FAMILY MORTGAGE REVENUE BONDS**

**WHEREAS**, in 1995 the City of Freeport, jointly with the cities of Peoria and Moline, issued Series 1995A and 1995B Collateralized Single Family Mortgage Revenue Bonds; and

**WHEREAS**, George K. Baum & Co. has offered services to in order to restructure or sell the FNMA's and GNMA's, with the cost for such services to come out of the proceeds of the transaction in accordance with Attachment A; and

**WHEREAS**, the Corporate Authorities of the cities of Peoria and Moline have already entered into a letter of engagement with George K. Baum & Co. for the same purposes;

**WHEREAS**, the letters of engagement for those cities are in a slightly different format than that attached hereto;

**WHEREAS**, the Corporate Authorities believe it is in the best interests of the citizens to cause such work to be completed.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, ILLINOIS** as follows:

**Section 1.** The foregoing recitals shall be and are hereby incorporated in this Section 1 as if said recitals were fully set forth.

**Section 2.** The Corporate Authorities hereby authorize the Mayor to enter into a Letter of Engagement in substantial conformance with Attachment A, subject to the letters of engagement with the cities of Peoria and Moline being modified to be in accordance with Freeport's letter.

**Section 3.** If any section, paragraph, clause or provisions of the Resolution shall be held invalid, said invalidity shall not affect any other provision of this Resolution.

**Section 4.** This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

Alderman Clark, Finance Chair, stated that the committee held a meeting on November 24, 2003. The interest rate environment has resulted in our 1995 mortgage bonds potentially being over-collateralized bonds were issues as part of a bond pool with the communities of Peoria and Moline. If they are over collateralized, they can be restructured in such a way that each community can get some more money back. K. Baum has approached each community to hire them to research and propose if appropriate a restructure fee would be paid out of a portion of the proceeds each community would received and only if there was money to be refunded. The committee voted unanimously to adopt this resolution and Alderman Clark so moved, seconded by Alderman Wright. After much discussion, the roll call was then taken. On the roll call of yeas and nays, Aldermen Wright, Bender, Varner, Clark, Dawson, and Boldt voted yea. The resolution was adopted.

**RESOLUTION #R-2003-70**

**RESOLUTION AUTHORIZING A RESTRUCTURING TRANSACTION WITH RESPECT TO THE CITY OF PEORIA, ILLINOIS, CITY OF MOLINE, AND CITY OF FREEPORT, ILLINOIS, GNMA COLLATERALIZED EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE RESTRUCTURING TRANSACTION; MAKING CERTAIN APPOINTMENTS AND DESIGNATIONS; AND CONTAINING OTHER PROVISIONS RELATING THERETO**

**WHEREAS**, the City of Freeport, Illinois (the “City”), is a municipality and a home rule unit of government, duly organized and validly existing under the laws and Constitution of the State of Illinois; and

**WHEREAS**, pursuant to the Constitution and the laws of the State of Illinois, the City is authorized to issue its revenue bonds for the purpose of financing the acquisition of mortgage loans for residential real property; and

**WHEREAS**, the City jointly with the City of Peoria, Illinois, and the City of Freeport, Illinois (collectively, the “Issuers”), have issued their GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1995-A, in the aggregate principal amount of \$15,605,000 (the “Bonds”) pursuant to a Trust Indenture, dated as of October 1, 1995 (the “Indenture”), by and between the Issuers and BNY Trust Company of Missouri, as successor trustee to Harris Trust and Savings Bank (the “Trustee”); and

**WHEREAS**, pursuant to the Indenture, the Bonds are subject to optional redemption on or after October 1, 2005 through September 30, 2006, at 105% of the outstanding principal amount thereof plus accrued interest to the date fixed for redemption; and

**WHEREAS**, the Issuers have determined to undertake a restructuring of the outstanding Bonds either by selling the GNMA securities held with respect to the Bonds and redeem the Bonds, or alternatively, provide for the release of surplus assets held under the Indenture; and

**WHEREAS**, the Issuers have determined to authorize the undertaking of such a transaction and the execution and delivery of related documents and the taking of such actions as may be necessary or convenient to further carry out the purposes of the Resolution.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, ILLINOIS:**

*Section 1. Approval of Restructuring Transaction.* That the City hereby approves the sale of the GNMA Securities and the redemption of the Bonds pursuant to the Indenture, or alternatively, the release of surplus assets under the Indenture.

*Section 2. Power to Approve Form of Transaction and Related Documents.* That the Mayor of the City or the Finance Director of the City are authorized to approve the form of the restructuring transaction and the forms of documents (including any indenture amendments) as may be necessary or convenient to carry out or assist in carrying out a restructuring transaction described in Section 1.

*Section 3. Execution and Delivery of Documents.* That the Mayor of the City, the Finance Director of the City and the City Clerk of the City (collectively, the “Authorized Signatories”) are hereby authorized to execute and attest such documents (including but not limited to indenture amendments), agreements, assignments, certificates, contracts, instruments, releases, financing statements, letters of instruction, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

*Section 4. Designation of Investment Banker.* That the City hereby designates George K. Baum & Company as investment banker (the “Investment Banker”) to the City in connection with the sale of the GNMA Securities and the redemption of the Bonds.

*Section 5. Designation of Bond Counsel.* That the City hereby designates Greenberg Traurig, LLP as bond counsel (“Bond Counsel”) to the City in connection with the transactions described herein.

*Section 6. Authorization of Certain Actions.* That the City authorizes the Investment Banker and Bond Counsel to take such actions on behalf of the City as may be necessary in connection with the transactions described herein.

*Section 7. Trustee Instructions.* That the City instructs the Trustee to undertake any actions required by the Indenture to undertake the restructuring transaction, and to undertake the actions set manner set forth in the Closing Memorandum provided by the Investment Banker.

*Section 8. Effective Date.* That this Resolution shall be in full force and effect from and upon its adoption.

*Section 9. Severability.* That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall no affect any of the remaining provisions of this Resolution.

Alderman Clark, Finance Chair, stated that the committee held a meeting on November 24, 2003. The committee voted unanimously to adopt this resolution and Alderman Clark so moved, seconded by Alderman Wright. On the roll call of yeas and nays, Aldermen Wright, Bender, Varner, Clark, Dawson, and Boldt voted yea. The resolution was adopted.

**RESOLUTION #R-2003-71**

**RESOLUTION TO ADOPT REVISED PURCHASING POLICY**

**WHEREAS**, pursuant to Resolution No. 96-41 adopted on August 19, 1996, this City Council enacted a Purchasing Policy to provide guidance for procurement of goods and services within the City of Freeport, which has been amended from time to time; and

**WHEREAS**, a periodic review of the Purchasing Policy is encouraged to ensure the most comprehensive provisions and procedures; and

**WHEREAS**, the City Council's Finance Committee has reviewed and approved certain proposed amendments to the City's Purchasing Policy; and

**WHEREAS**, this City Council finds that its approval of this amended Purchasing Policy is in the best interests of all citizens in this community to ensure that goods and services are procured as efficiently as possible and at the best competitive price.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, ILLINOIS** that the document attached hereto and made a part hereof as Exhibit A, captioned the "City of Freeport, Purchasing Policy – December 1, 2003", is hereby adopted and approved; and the Mayor, the Purchasing Agent, and any other City employee or official as may be deemed appropriate, are hereby authorized to implement this Purchasing Policy and any other documents as may be necessary or appropriate so as to effectuate the intent of this Resolution.

**BE IT FURTHER RESOLVED** that all resolutions or parts of resolutions in conflict with this Resolution are repealed insofar as they conflict.

**BE IT FURTHER RESOLVED** that this Resolution is passed under the Home Rule Authority of the City of Freeport as provided in Section 6 of Article VII of the Illinois Constitution of 1970.

Alderman Clark, Finance Chair, stated that the committee held a meeting on November 24, 2003. The Administration presented a revise Purchasing Policy in response to the committee request to make professional services purchases more transparent. The proposed amendments appear in Section F, which deals with Sole Source Procurements. The revised language requires professional service contracts to be bid on a project-by-project basis following the appropriate RFP/RFQ processes outlined in the policy. In the case of recurring services not related to a specific project, RFP/RFQs should be solicited at least once every two years. For State and/or Federal projects, the City would follow the appropriate professional selection requirements. The committee voted unanimously to adopt this resolution and Alderman Clark so moved, seconded by

Alderman Wright. On the roll call of yeas and nays, Aldermen Wright, Bender, Varner, Clark, Dawson, and Boldt voted yea. The resolution was adopted.

**RESOLUTION #R-2003-72**

**RESOLUTION TO APPROVE RECAPTURE STRATEGY**

**WHEREAS**, the City of Freeport has established a revolving loan fund (RLF) which is capitalized by recaptured funds from a Community Development Assistance Program (CDAP) project within the City; and

**WHEREAS**, the Illinois Department of Commerce and Community Affairs (“DCCA”) requires that a Recapture Strategy be adopted by the City to govern the administration of the RLF, and such Recapture Strategy was approved by this City Council by Resolution No. R-90-55 on December 17, 1990 and amended by Resolution No. R-94-26 on June 20, 1994 and Resolution R-99-26 on May 17, 1999; and

**WHEREAS**, a periodic review of the RLF Recapture Strategy is encouraged, and the RLF Loan Review Committee recommends the adoption of a revised Recapture Strategy.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, ILLINOIS** as follows:

**Section 1:** The amended Recapture Strategy, a copy of which is attached hereto and made a part hereof as Exhibit A, is hereby approved and adopted to govern the administration of the Revolving Loan Fund; and the Mayor and other designated City officials or officers are hereby authorized to perform certain functions and execute any documents which are necessary to implement the Recapture Strategy.

**Section 2:** The City Clerk is hereby directed to transmit a certified copy of this Resolution along with the attached Exhibit A to the Illinois Department of Commerce and Community Affairs, c/o Jay Bales, RLF Program Administrator, 620 East Adams Street, Springfield, Illinois 62701.

**Section 3:** This Resolution shall be in full force and effect immediately upon its passage by the City Council and its approval by the Mayor, and it shall remain in full force and affect until its amendment or revocation, in whole or in part, by a subsequent ordinance or resolution of this City Council.

**Section 4:** This Resolution is expressly adopted pursuant to the Home Rule authority of the City of Freeport under Section 6(a) of Article VII of the Illinois Constitution of 1970.

**Section 5:** All Resolution or motions in conflict with this Resolution are repealed insofar as they conflict.

**Section 6:** If any section, clause or provision of this Resolution be declared by a Court of competent jurisdiction to be invalid, such decision shall not affect the validity of the Resolution as a whole or any part thereof, other than the part so declared to be invalid, and this City Council expressly declares that it would have enacted this Resolution even with the invalid portion deleted.

Alderman Clark, Finance Chair, stated that the committee held a meeting on November 24, 2003. Alderman Clark presented a resolution that would add the Finance Chair to the Revolving Loan Fund Committee and make the City Treasurer the official repository for all minutes and legal documents. The mayor questioned the need to have council representation on the committee, as these funds are not actually city monies. Alderman Clark stated that he believes that the City has a fiduciary responsibility to manage these funds appropriately, which includes good documentation and follow-up for payment. The committee voted unanimously to adopt this resolution and Alderman Clark so moved, seconded by Alderman Wright. On the roll call of yeas and nays, Aldermen Wright, Bender, Varner, Clark, Dawson, and Boldt voted yea. The resolution was adopted.

**EXECUTIVE SESSION**

Alderman Bender moved, seconded by Alderman Boldt to go into executive session according to according to 5 ILCS 120/2 (c)(5) in order to discuss the purchase or lease of real estate. On the roll call of yeas and nays, Aldermen Wright, Bender, Varner, Clark, Dawson, and Boldt voted yea. The motion carried.

The council then convened in the mayor's office. After reconvening in Council Chambers, Alderman Clark moved, seconded by Alderman Bender to come out of executive session. On the roll call of yeas and nays, Aldermen Wright, Bender, Varner, Clark, Dawson, and Boldt voted yea. The motion carried.

**COMMITTEE REPORTS****FINANCE**

Alderman Clark, Chair, stated that the committee held a meeting on November 24, 2003. City Accountant, Duane Price, advised that he had received two bids from local banks for refinancing the IMRF Early Retirement Obligation. Interest rates were 4.29% to 4.5% fixed for seven years. Alderman Clark and Mr. Price felt rates were not overly attractive, but better than the current rate. Alderman Clark offered to call banks to see if a better deal could be offered. Additionally, committee members discussed spending down the current IMR fund to about six months of reserves to reduce the amount of our loan request. The committee voted unanimously to spend IMRF fund down to \$100,000 to reduce proposed loan amount; and approve a loan with a 4.29% or better interest rate and Alderman Clark so moved, seconded by Alderman Wright. On the roll call of yeas and nays, Aldermen Wright, Bender, Varner, Clark, Dawson, and Boldt voted yea. The resolution was adopted.

Doug Winter made a presentation and revised request for TIF funding for the redevelopment of the Stephenson Hotel. The revised proposal involves the purchase of the hotel by a Chicago area hotel developer, with Mr. Winter retaining a minority interest in the property. The committee laid the proposal over to the next regular meeting and requested that the developer attend that meeting.

Alderman Clark handed out copies of a proposed resolution to formally contract with FAEDF and a resolution to recognize their strategic plan. The contract is modeled after Rockford and will require some modification. Mr. Clark Advised committee members that passage of the contract may supercede the need to recognize the strategic plan, which should be provided to the city and regularly update. The issue was laid over to the next meeting.

The committee requested that the administration put together an RFP for committee review for Financial/Bond Advisors.

Mayor Gitz encouraged everyone to reread the Capital Plan and would like to see some formal council action during the budget process.

Duane Price advised the committee that a new account had been opened at Midwest Bank to accept the sale proceeds from 4 East Linden.

**PUBLIC WORKS**

Alderman Boldt, Chair, stated that that committee held a meeting on November 17, 2003. Alderman Boldt report that a title search is underway for the library and that it does not make sense to set up a sub-committee to discuss reuse, until the rightful owner has been identified. Alderman Wright asked Lynn Lassandro if they have prepared a

written proposal for the committee. Mr. Lassandro responded that they had no formal presentation.

Alderman Boldt offered to serve as liaison to the committee and would like to be a part of the research and decision making process. The Mayor agreed to the proposal.

A request has been received by Alderwoman Bender to look into the sign ordinances for residential property.

### **MAYOR'S REPORT**

The mayor discussed the following items:

- IEPA Environmental Task Force will be presented the results of the borings on December 2, 2003
- Open house was 12/1/03 for the USEPA Grant Application
- NHS – Carroll Street Corridor

### **PUBLIC WORKS DEPARTMENT**

Public Works Director, Craig LeBaron, reported that leaf pick up season was over.

### **PUBLIC COMMENTS**

Boy Scout Troop #7 was introduced to the council. They are pursuing Merit, Citizenship, and Communication Badges.

As there was no other business to be transacted by the City Council, the meeting was adjourned at 8:40pm.

**LATACIA M. ISHMON, CITY CLERK**