



City Council

City Council Chambers ◊ 314 West Stephenson Street ◊ Freeport, IL 61032

MINUTES

COMMITTEE OF THE WHOLE MEETING

MONDAY, MAY 14, 2018 AT 6:00 P.M.

CALL TO ORDER

The regular Committee of the Whole meeting of the Freeport, Illinois, City Council was called to order in council chambers by Mayor Jodi Miller with a quorum being present at 6:00 p.m. on Monday, May 14, 2018.

ROLL CALL

Present on roll call: Mayor Jodi Miller and Council Members Alderpersons Tom Klemm, Peter McClanathan, Art Ross, Bob Smith, Patrick Busker, Sally Brashaw, Mike Koester, and Andrew Chesney (8).

Staff members present: City Manager Lowell Crow, Finance Director Randy Bukas, Director of Community & Economic Development Nancy McDonald, Director of Public Works Dennis Carr, Fire Chief Todd Allen, Chief of Police Todd Barkalow, Director of Utility Operations Tom Kopanski and City Clerk Dovie Anderson.

Others Present: City Legal Counsel Steve Cox, Esq.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Alderperson Koester who then became Chairperson of the meeting.

APPROVAL OF AGENDA

Alderperson Smith moved to approve the agenda and Alderperson McClanathan seconded; motion prevailed by voice vote without dissent.

PUBLIC COMMENTS

No Public Comment

APPROVAL OF MINUTES

Alderperson Brashaw moved for approval of the minutes from the Committee of the Whole Special meeting held on [February 12, 2018](#), seconded by Alderperson Busker. Motion prevailed by voice vote without dissent.

ITEM #7 - Discussion of Water & Sewer and Streets Integrated Capital Improvement

Director of Utility Operations Tom Kopanski and Director of Public Works Dennis Carr presented the City of Freeport Water & Sewer Capital Improvement Program for FY2019 through FY2024.

Director Kopanski stated that there are approximately \$210 million in depreciated water and sewer assets that are in need of replacement. Many items have been presented within the last year: two production wells, water main arterials, Hancock wastewater treatment plant which has been in production since 1938, inflow/infiltration issues where rainwater is entering our pipes and treatment plant, and challenges with the storm water infrastructure. If roadways need to be torn up, then the water and sewer should be repaired at the same time.

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Approximately one year ago, water and sewer upgrade costs were presented as \$155 million. The following table itemizes costs totaling \$210 million which reflects the true costs of upgrading the Hancock wastewater treatment plant. Rehabilitation of manholes has also been added which should have been included last year.

Water & Sewer – 40 Year Plan

		% of Budget
Manhole Rehabilitation	\$6,000,000	2.9%
Replace 87 Miles of Water main	\$ 75,000,000	35.7%
Line 25 Miles of Sanitary Sewer	\$ 25,000,000	11.9%
Replace 3000 Lead Services	\$ 4,000,000	1.9%
Replace 4 Water/Rail Crossings	\$ 500,000	0.2%
Replace 4.5 Miles of Force main	\$ 3,000,000	1.4%
Carroll Tank Rehab	\$ 1,500,000	0.7%
New Water Filtration Plants & Wells	\$ 10,000,000	4.8%
Upgrade Wastewater Plant	\$ 57,000,000	27.1%
Equipment/Tech Replacements	\$ 13,500,000	6.4%
Engineering	\$ 14,500,000	6.9%
Total CIP Cost	\$ 210,000,000	100%

*Estimate using current pricing with no inflation

Some priorities that have already been presented to Council include:

- February 2017, new Production Wells at Burchard and Willow sites including treatment plants in response to Wells #2 and #6 being taken out of service. We are hoping for 80 to 100 years of service from these two new sites.
- Replacement of 4.5 miles of sanitary sewer force main. This is different than the regular mains from residences which flow by gravity. These force mains at times are positioned lower underground and need to be pumped back up to a level where they can again flow by gravity.
- Building of arterial water mains in both the low and high pressure zones to coincide with street replacement.

Some new priorities include:

- Burchard & Willow Production Well & Treatment Plants
- Hancock Wastewater Treatment Plant - Phase 1
- Carroll Tank Coating – has not been repainted in 20+ years
- Force main Replacement 4.5 miles during this time period
- Looping of water main in areas that will improve fire flow; secondary benefit of redundancy during times of water main repairs. These loops will be added at mains that currently dead end in the following areas: Lincoln Drive, Challenge Street, Kiwanis Drive, Sylvan Court, Meadows Drive #1 & #2,
- Water Main Replacement

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- Replacement of arterials in the following areas: Float, Cleveland, Adams, Empire, Hancock (in conjunction with the bridge replacement in 2023), and Laurel
- Replacement of veins in the following areas: Clinton Place and Clinton Street, Chicago, and Demeter (in conjunction with the Demeter Bridge project)
- Replacement of approximately 4.5 miles of cast iron force main in the following areas: Lynn Street, Elk Street, and Laurel
- Digester cleaning was last done around 1995. Target date over two fiscal years of FY2019 and FY2020 at a cost of \$535,000.
- Carroll water tank was last painted around 1994 and has lead paint issues.

Manager Crow added that the reasoning behind replacing the existing water treatment plant was that to upgrade it would cost \$11 million to \$12 million whereas two treatment plants at the new sites will cost \$7.5 to \$8 million. The two new treatment plants will also better feed the high and low pressure zones.

Director Kopanski explained the following table which reflects the water main projects and in which fiscal year they are proposed to occur.

**City of Freeport, Illinois
Five Year Capital Improvement Plan
Water Main Replacement**

Description	Length	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Five-Year Totals
Projects							
Float Street	6000	\$ 655,000	\$ 655,000				\$ 1,310,000
Clinton Place and Clinton Street	1500	\$ 180,000					\$ 180,000
South Street at Lincoln Drive	230	\$ 60,000					\$ 60,000
Sylvan Court at Lawn Place & Lawn Court	750	\$ 90,000					\$ 90,000
Kiwanis Drive at Highland View	200	\$ 25,000					\$ 25,000
Challenge Street-Float to Sleezer Home Road	400	\$ 50,000					\$ 50,000
Meadow Drive #2	1150	\$ 150,000					\$ 150,000
Meadow Drive #1	300		\$ 35,000				\$ 35,000
Cleveland Avenue #1	1500			\$ 330,000			\$ 330,000
Cleveland Avenue #2	1400			\$ 305,000			\$ 305,000
Demeter/Demeter Bridge Segment			\$ 320,000	\$ 320,000			\$ 640,000
Laurel/Park	4000				\$ 900,000		\$ 900,000
Stephenson Street	7100				\$ 1,550,000		\$ 1,550,000
Adams Street	5500					\$ 1,200,000	\$ 1,200,000
5 Year Total	27430						
	Total	\$1,210,000	\$1,010,000	\$955,000	\$2,450,000	\$1,200,000	\$6,825,000

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Director Kopanski explained the following table which reflects the sewer main projects and in which fiscal year they are proposed to occur.

**City of Freeport, Illinois
Five Year Capital Improvement Plan
Sewer Main Replacement**

Description	Length	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Five-Year Totals
Projects							
Sanitary Sewer							
Float Street	6000	\$ 725,000	\$ 725,000				\$ 1,450,000
Adams Street	5500					\$ 1,325,000	\$ 1,325,000
Lining		\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 750,000
Manhole Rehabilitation		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000
Sanitary Force Main							
Lynn Street	3300			\$ 600,000			\$ 600,000
Laurel	2600				\$ 475,000		\$ 475,000
Campus	6000					\$ 1,500,000	
	Total	\$925,000	\$925,000	\$800,000	\$675,000	\$3,025,000	\$4,850,000

Manager Crow explained that Adams Street will use federal funds for reconstruction of the street. At the same time, the water main and sewer main will also be replaced.

Director Carr presented a map of the results of the Street Assessment Study ([view link](#)). Dark green indicates streets that are in good condition, light green--fair, yellow--below average, red--poor. Director Carr stated that the streets in the two colors of green do not need any work. Streets marked in yellow will need mill and overlay and red streets require reconstruction. Streets coded in red or yellow that also needed water and sewer main replacement were identified as having the highest priority. Hopefully, the newly constructed streets will be good for 25 to 30 years. The initial estimate of \$60 million to repair all of the roads assumes that all of the work would be done right now, which is not feasible. Every year that a road is not replaced, the condition only worsens. The Adams street reconstruction is a project that is too large to conduct in-house due to the requirement of surveying, engineering, etc. Manager Crow stated that federal monies can be used for the portions of the larger projects that cannot be done in-house. The Street Assessment Map will be available on the website.

The following projects will use Motor Fuel Tax (MFT) funding and require an 80/20 match:

- Pecatonica Prairie Trail (FY 2019)
 - o (Tutty's Crossing to Us 20 Bypass) (20% MFT/80% ITEP Federal Grant)
- Gladewood Bridge (FY 2020)
 - o (20% MFT/80%County Bridge Funds)
- Hancock Bridge (FY 2023)
 - o (20% MFT/80% Major Bridge Funds)
- Adams Street (FY 2023)

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- (20% MFT/80% Surface Transportation Program Funds)

An explanation of the funding sources follows:

- ITEP – Illinois Transportation Enhancement Program
 - Projects must enhance the transportation system by serving a transportation need or providing a transportation use or benefit.
 - Requires a more thorough design to accommodate the Federal Funding Guidelines.
- County Bridge Funds
 - Counties are given funds based on square footage of bridges
- Major Bridge Funds
 - Bridge needs to be on a Road Designated with a Federal Aid Urban (FAU) Route Number.
- Surface Transportation Program- Urban (STU) or Rural (STR)
 - To provide Federal-aid for improvements to facilities not on the National Highway System
 - Used for Roads Designated with a FAU Route number.
 - Requires a more thorough design to accommodate the Federal Funding Guidelines.

Reconstruction of the roadways was selected over the next five years as follows:

- Float Ave. was large enough it needed to be spread over two fiscal years FY2019 and FY2020 because there is not enough MFT funding to do it in one year. Identifying factors included poor condition of water main constructed of spun cast iron, poor sanitary sewer which is undersized and has a sag, and a poor pavement rating. Float Ave. from South Street to Empire will be done in FY2019 and Empire to Winnesheik in FY2020.
- S. Demeter (FY2021) has poor water main constructed of spun cast iron and a poor pavement rating.
- Wild Oats Trail (FY2022) has a poor pavement rating.

**City of Freeport, Illinois
Five Year Capital Improvement Plan
Public Works – Not including Utilities (Pavement/Sidewalk/Curb Only)**

Description	Length	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Five-Year Totals
Projects							
Street Materials Contract		\$140,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 540,000.00
Pecatonica Prairie Trail (Tutty-US 20 Bypass)	3	\$152,000.00					\$ 152,000.00
Float (South to Empire)	5	\$301,879.50					
Gladewood Bridge	1		\$ 260,000.00				\$ 260,000.00
Float (Empire to Adams)	3		\$ 389,410.00				
S Demeter Dr Recon	1,6			\$ 472,767.50			\$ 472,767.50
Wild Oats Tr	2				\$ 207,013.00		
Hancock Bridge (Eng 2021)				\$ 190,000.00		\$3,126,600.00	\$ 3,316,600.00
Adams Street Recon (Eng 2020-2022)	3,5		\$ 50,000.00	\$ 75,000.00	\$ 75,000.00	\$3,300,000.00	\$ 3,500,000.00
	Total	\$593,879.50	\$ 799,410.00	\$ 837,767.50	\$ 382,013.00	\$6,526,600.00	\$ 8,241,367.50
	Total MFT	\$593,879.50	\$ 799,410.00	\$ 837,767.50	\$ 382,013.00	\$1,385,320.00	\$ 3,998,390.00
	Total STU					\$2,640,000.00	\$ 2,640,000.00

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	Total Major Bridge Funds						\$2,501,280	\$6,638,390
	Current Values							
MFT Allotments (650,000)	\$ 93,000	\$ 149,121	\$ (290)	\$ (188,057)	\$ 79,930	\$ (655,390)		
STU Allotments (300,000)	\$ 900,000	\$ 1,200,000	\$ 1,500,000	\$ 1,800,000	\$ 2,100,000	\$ (240,000)		

No additional funding for Chip Seals - Could be removed from Materials Contract			
		Asphalt Ton	1.5" Thick Overlay
Chip Seals		Equivalent	Area (Sq Yd)
2020-Chicago (South of South), Bidwell	\$ 30,000	600	7,018
2021-W Demeter	\$ 20,000	400	4,678
2022-Woodside Dr.	\$ 50,000	10000	116,959

Director Carr gave an alternative of using a Chip Seal program in the above locations and the following supporting reasoning:

- Reconstructions last longer but we can't sustain the current life cycles.
- Chip Seals are a low cost way to seal roadway surface.
- A Week or Two of Bouncing Rocks – Slow Traffic Signage Available
- In the process of Identifying suitable candidates for Chip Seal

Aldersperson Klemm asked which section of Woodside Dr. is being considered for Chip Seals. Director Carr stated a two-mile portion from Highway 26 towards Krape Park. To reconstruct the same section using blacktop would take all of the MFT funds for a couple years. Aldersperson Koester expressed concern over the loose gravel used for Chip Seal. Director Carr stated that, if Council is agreeable to using Chip Seal, that signage could be displayed warning of loose gravel. A couple of weeks after construction, the gravel works itself into the tar mixture. Aldersperson Busker asked and Director Carr confirmed that the dip at the intersection of Jefferson and Float will be corrected when Float is reconstructed.

Director Carr stated that during the engineering phase of the Hancock Bridge project and reconstruction of Adams Street, a detour to the east side using Shawnee will need to be included.

Aldersperson Koester asked for an overview of the revenue that will be collected from the increase in the Capital Improvement line item on the water and sewer invoicing. Director Kopanski stated that the following projects are proposed using those funds:

- 87 miles of water main needs replacing, 3 to 4 miles are programmed to be replaced within the next 5 years
- Repayment of loans for two new treatment plants with the production wells
- 4.5 miles of force main
- 3,000 lead services need replacing for \$4 million
- Replace equipment to address inflow/infiltration

Manager Crow added that some of the priorities at the front end of the next 30-40 years include:

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- We have submitted aps for Phase I of IV for the sewer plant – \$12 mil – IEPA loan
- \$7.8 mil for water treatment facilities and wells through an IEPA loan
- Initial water testing, initial engineering for two new wells have been submitted to IEPA
- Big projects need to be done first because of shutting down two wells and the treatment facility is a propriety for the next 2 to 5 years

Aldersperson McClanathan summarized by stating that the 40-year plan has an estimated \$210 million in costs and that the five-year plan covers the information presented in the three tables above. He asked and Director Carr agreed that the method used to prioritize which streets would be replaced first included an analysis of the condition of the streets combined with the condition of the water and sewer mains.

Manager Crow stated that if MFT monies are used, we then need to meet MFT's requirements of full replacement of sidewalk and curb and gutter. If the City does the work internally, we do not need to meet MFT's requirements and can replace just the street. ADA compliancy needs to be met regardless of which funds are used. Water and sewer repair is being funded by increased fees from the water and sewer billing. Street replacement is paid for by MFT funds.

Director Carr explained that resources for streets take priority over alleyways because streets are more heavily travelled. Alleyways can be repaired using in-house crews and are not taken from MFT funds. The reason not all streets are replaced is because there is not enough funding to go around. Manager Crow stated that ideally the life of a road is 25 years. MFT funds continue to drop within the State while the costs of materials continue to rise making routine replacement very difficult. The recent winters have caused repeated freezing and thawing which also increases deterioration of the roads.

Aldersperson Smith questioned the cost of \$57 million for a treatment plant. Director Kopanski and Manager Crow stated that Fehr Graham performed the study that arrived at the figure. The costs are for the treatment plant to meet current requirements and future demands. A permit is issued every 10 years and we have recently submitted our application for a new permit. Currently we treat only wastewater. The Illinois Environmental Protection Agency (IEPA) may begin requiring us to treat storm water as well. Stricter IEPA limits are being required on phosphate levels, chlorine residual, and fecal colonies. Since we are at the bottom of the Pecatonica River basin, we are the collection point for many of these contaminants. Wisconsin will not be expected to treat this water, but Freeport will as the catch basin.

Aldersperson Smith asked about the lead paint on the Carroll Street water tower. Director Kopanski and Manager Crow stated that it was last painted on the inside in 1994. Lead paint would have been used prior to that. Historically, it was general practice to paint over the top of lead paint. Now it is required by the EPA to strip all of the underlying layers and repaint. Lead levels are tested once every three years at the City level and random testing at residences are also completed periodically. Our water has had acceptable lead levels during these tests. Aldersperson Smith asked and Director Kopanski confirmed that the looping mentioned above keeps the water moving so it stays fresher by reducing stagnant water at dead ends.

Aldersperson McClanathan asked about the high number of water main breaks (3 to 4) from Park Blvd. to Lincoln-Douglas School within the last 1.5 years. Director Kopanski stated that there are several contributing factors. The bottleneck created from going from a 12" main to a 6" main is one of them. Another reason is switching from one pressure zone to two pressure zones and that area is at the beginning of the newer pressure zone. The pipe was installed in the 1950s of spun cast iron material which has been shown to fail.

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Aldersperson McClanathan stated that, even after streets that are coded in red on the Street Assessment map are replaced, we will still have failing roads. We currently receive \$650,000 annually in MFT funds. With a total cost of \$60 million to improve all of the streets in Freeport, that will take 100 years to complete. Director Carr stated that it will probably take longer than 100 years. Roads are currently designed to last 20 to 30 years if made of asphalt or concrete. If no maintenance work is done, those roads begin to fail at the end of that timeframe. Preventative maintenance prolongs the life. Manager Crow stated that Federal Aid Routes (FAU) routes (truck routes) are constructed of concrete.

ITEM #8 - Discussion regarding Azavar [View Amendment Letter](#)

Director Bukas stated that we entered into a contract with Azavar to assist the City with collection of the following taxes: food and beverage, motor fuel tax, and hotel/motel. While going through the paperwork and setting up the system, some fees were discovered that had not been mentioned in the contract nor discussed during negotiations. There was 2.5% for using a credit card plus 15 cents per transaction. He felt that was unacceptable because they told us there would be no additional costs. Through discussions, an understanding was reached that the City would only accept Automated Clearing House (ACH) payments online. Azavar had agreed to help our customers set up their ACH accounts within the first year. Azavar had also agreed to poll our customers regarding their interest in possible credit card payments and provide the City with an analysis. Azavar agreed to decrease our monthly fee by \$750 because of the misunderstandings.

A Service Agreement has been drafted for Council's consideration. If not approved, Director Bukas feels we should consider terminating Azavar's contract. Attorney Szeto has reviewed the Service Agreement and a letter has been sent to Azavar threatening to terminate our contract because of incongruities. Attorney Szeto stated that the Service Agreement, if approved, will serve as an addendum to the Contract.

Aldersperson Brashaw asked and Director Bukas confirmed that Azavar discovered some tax payments that the State was making to the County instead of the City. Director Bukas added that Azavar has been continuing on the work they were hired for. We have not yet installed their software for constituents to make online payments. Manager Crow added that once we install the software, it will become more difficult to terminate the contract. At this point, Council is being apprised of the situation and being asked for guidance on how to proceed. Under the agreement, the City collects 60% of any new money discovered by Azavar and they collect 40%. It was the City's understanding that the 40% would be the only fees collected. Manager Crow added that some of the fees were the bank's transaction fees that Azavar wanted to pass along to the City.

There was general consensus that we should terminate our contract with Azavar because of fees that were not disclosed in the contract.

Attorney Szeto stated that the contract is silent on transaction fees; it did not specify if there were or were not transaction fees. However, the City was given the impression that the only fees would be the 40% collected on the discovery of new money stated in the minutes. There was no discussion specifically on ACH or credit card fees. He agrees that they do provide a service that has value. He also can see the Council's position that there was a miscommunication or that Azavar may have misrepresented themselves. If Council wishes to reach a middle ground, he views the Service Agreement as such. Director Bukas was asked for his recommendation. He felt that originally it appeared to be a good program to help boost our revenues and enhance tracking. Under

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these circumstances the City would be limiting our businesses on payment options for paying their tax. He is not in favor of continuing the contract. Manager Crow added that he has been in favor of terminating the contract and has already sent a letter to Azavar threatening such. Director Bukas originally suggested negotiating with Azavar and presenting it to Council. Manager Crow believes that they did misrepresent themselves and has since learned that they are involved in two other litigations with other municipalities.

Aldersperson Busker inquired and Director Bukas confirmed that he has found one or two other companies that offer these services.

Chairperson Koester stated that the general consensus was to terminate the contract.

ITEM #9 - Discussion of Fire Department Rates for Services

Fire Chief Allen introduced Lindsay Morris with Andres Medical Billing who processes the ambulance billing for the Fire Department. After passing the budget, Chief Allen began exploring their fee structure to ensure enough revenue in their Capital Fund. He first looked at ambulance fees, which were last adjusted in 2015. Additionally, he looked at fire fees which are trending nationwide. Manager Crow stated that at his last International City/County Managers Association (ICMA) conference he attended an 8-hour training on "Tough Questions to Ask Your Fire and Police Chiefs" which recommended open dialogue on this.

Chief Allen gave a PowerPoint presentation and began with an overview of ambulance fees. The current fee structure was proposed in 2014 and implemented in 2015. Over the last three years, the costs of the Fire Department have increased. We want to be sure that we are not overcharging but also that we are recouping our costs of manpower, supplies, and other overhead costs. Not only is ambulance service something provided to our citizens, but it is also a business. We need to ensure that we are at least recouping our costs. Our Emergency Medical Services (EMS) technicians are highly trained with medical certifications as well as being firefighters.

This proposal will have no impact on Medicare and Medicaid patients. Based on 2016 figures, revenues were \$694,669. There were bills sent to collections or write-offs of \$60,338, which are also approved by the City Manager. From 2016 to 2017, our call volume of ambulance-only calls increased 7.6%. Of the 3,914 calls, there were 2,792 transports to FHN. There were 1,122 calls for which transport to the hospital was not requested. Of the 2,792 billable breakdown, 71% are Medicare/Medicaid. Those costs are set by the government at a lower rate. The calls that we can bill for are those with insurance (21%) or direct billing (8%). We have control over those charges.

There are three types of care provided:

- ALS-2: High level of treatment with a lot of medications, invasive treatment, critical call that involves a medical emergency or injury
- ALS: Advanced level of care without the critical criteria of ALS-2
- BLS: Transport, vital sign monitoring, treatment required at the emergency room, but no invasive care provided by EMS

The following table provides a rate analysis of these care levels and associated charges with a 10% increase:

Freeport Fire Department

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Rate Analysis

Rates:			
Freeport Resident	Current	Proposed	Difference
ALS-2	\$917.17	\$1,008.89	\$91.72
ALS	\$726.40	\$799.04	\$72.64
BLS	\$659.08	\$724.99	\$65.91
		Avg. Increase	\$76.76
Non-Resident	Current	Proposed	Difference
ALS-2	\$1,117.17	\$1,228.89	\$111.72
ALS	\$926.40	\$1,019.04	\$92.64
BLS	\$859.08	\$944.99	\$85.91
		Avg. Increase	\$96.76

Based upon the total number of ambulance calls in 2016, the projected revenue would be \$36,215 for Residents and \$38,884 for Non-Residents using a 10% increase.

Regional comparisons were provided from the Chicago suburbs, locally, and some downstate municipalities. Our goal was to be somewhere in the middle statewide. Some communities charge based upon mileage (as does Freeport) and others charge for reimbursement of medical supplies.

In summary, no Medicare or Medicaid patients will be affected by the increase. Conservative figures show additional revenue of approximately \$38,000. Increasing the per mileage rate would provide additional revenues of approximately \$4,000. An Ordinance would be required to bill for itemized charges to replace disposal equipment. Insurance companies only look at the bottom line not itemized costs when making payment.

Aldersperson Chesney asked why we would handle billing of Medicaid/Medicare differently than patients with private medical insurance. Lindsay Morris with Andres stated that Medicaid/Medicare fees are set annually by the government. The difference of any fees billed and the amount Medicaid/Medicare will cover is uncollectable. Aldersperson Chesney asked and Chief Allen confirmed that the pool of individuals who will be affected by the increase in fees will be those between the ages of 26 and 65 who pay for their own private insurance. Chief Allen added that this is the group of people for which fees would be collectible.

Aldersperson Klemm stated that we do not currently charge for replacement of medications. He asked for an explanation. Ms. Morris explained that insurance companies pay by two line items: base rate and mileage. Anything outside of those two line items are not recognized. As the billing agent, if they receive invoices items, Andres adds them together anyway.

Aldersperson Koester recommended that the City contact the hospital regarding the hospital replacing the medications used and have the hospital bill the patient.

Aldersperson Busker asked and Ms. Morris responded that insurance companies typically cover 80% of ambulance fees prior to the patient being invoiced for the remaining fees.

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Alderson Brashaw asked and Chief Allen confirmed that “public assist” calls which require, for instance, the patient needing help getting up after a fall, are free of charge. Discussion ensued regarding the possibility of beginning to charge for these calls to limit the high number of repeat callers. Chief Allen added that the EMS staff try to educate the public regarding what types of situations warrant calling for an ambulance.

Alderson Smith asked if the current charges cover the costs of operating the ambulances. Chief Allen responded that the ambulances do not pay for themselves. Because of the Fire Department’s structure, EMS staff are also firefighters.

Manager Crow stated that there was not general consensus in favor of raising ambulance fees.

Chief Allen presented a proposal for establishing a fee schedule for fire call billing as a way to recoup expenses. Some examples of potentially billable fire calls include: structure fires, specialty rescue incidents, hazardous material responses and mitigation, and vehicle-related incidents. A current Ordinance allows for billing for hazardous spills or releases. This type of fee schedule is considered a “soft” billing. The insurance company representing the liable person at fault would be billed, not the individual. Chief Allen is proposing establishing a fee schedule for only motor vehicle accidents and car fires. In 2017, there were 145 vehicle accidents, 1 extrication, and 9 vehicle fires. Every insurance policy has the following coverage automatically incorporated: \$487 per incident for vehicle accidents, \$1,461 per incident for vehicle extrications, and \$677 per incident for vehicle fires. Fire recovery commissions are higher at 20% than EMS recovery at 6% because there is more involved with insurance companies trying to recover these costs. The estimated revenue if these costs are implemented will be \$62,535 (with the 20% commission subtracted).

Insurance companies have a very good rate of recovery at 90% and they would provide training for Fire personnel. The Fire Department’s software is already compliant with that used by insurance companies. This concept is becoming best practice with fire departments to recover costs of expensive equipment. This billing structure would need to be passed by Ordinance. There would be no out-of-pocket expenses for the vehicle owner. Only the insurance company of the at-fault party is billed. Chief Allen feels this is an untapped resource that we can explore. The party who is at fault is determined by the police report. Andres Services has over 200 clients in Illinois of which 60 municipalities use this “soft” billing. In some municipalities, there are no fees for ambulance or fire services.

Chief Allen acknowledged that “soft” billing is a new concept and increasingly more municipalities are beginning this practice to recapture expenses. He wanted to present these billing possibilities to Council in response to the difficulties the City faced in trying to balance the budget. Alderson Chesney expressed his appreciation for that. Alderson Koester stated that he feels now might not be the time to implement these types of fees but they do warrant closer consideration. Alderson Ross asked and Chief Allen confirmed that there is a 90% collection rate based on well-documented statistics. Alderson McClanathan compared these types of billed fees to comparable fees allowed by State statute imposed upon at-fault parties (defendants) including trauma fees, agency fees, and response fees. Ms. Morris confirmed that these “soft” fire response fees are built into every motor vehicle insurance policy by State mandate. It is up to each municipality if these fees are billed or not.

Alderson Smith suggested imposing this fee on at-fault vehicle owners who reside outside of the city limits of Freeport. Ms. Morris stated that that would be an option and a good place to start.

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MONDAY, MAY 14, 2018 AT 6:00 P.M.**

PUBLIC COMMENTS – AGENDA OR NON-AGENDA ITEMS

Tom Teich asked and Chief Barkalow confirmed that Cop on a Roof will be Saturday, May 19, 2018, at Dunkin' Donuts.

Upon a motion duly made and seconded, the meeting adjourned at 8:12 pm.

/s/ Dovie L. Anderson

Dovie L. Anderson

City Clerk