



City Council
City Council Chambers 230 West Stephenson Street Freeport, Illinois 61032

**COMMITTEE OF THE WHOLE REPORT
REGULAR MEETING
Monday, March 3, 2008**

Call to Order at 5:15 p.m.

Roll Call by Mayor Gaulrapp

Present: Alderman Klemm, Bush, DeVine, Endress, O'Neill, and Helms (6)

Not present with excused absence: Boldt and Corbin

Public Comments

Public comments were read into the report by Chairman Helms as written by Mr. John Cook in regard to an agenda item for Resolution R-2008-15, A Resolution Authorizing Supplemental Funding for Northwest Illinois Development Alliance. Mr. Cook requested that the committee layover the resolution until his questions were answered. He stated that there is no reason why NIDA can't wait an additional month or so for \$25,000. Mayor Gaulrapp asked if he should answer the questions posed by Mr. Cook now or wait until the resolution is presented and Chairman Helms asked him to wait until the resolution is read.

Committee of the Whole Report

A motion was given by Alderman Klemm to approve the Committee of the Whole report from the regular meeting on Tuesday, February 19, 2008, seconded by Alderwoman O'Neill. Vote to approve 6-0.

Chairman Helms asked for leave from the committee to move the Community Development portion of the meeting prior to the Executive Session scheduled for this evening.

Community Development

1. A presentation on a proposed expansion of the City Freeport/Stephenson County Enterprise Zone for the EcoEnergy Wind Farm Project was presented by Dan Fishburn of Snow, Hunter, Whiton and Fishburn and Nick Regez of EcoEnergy. EcoEnergy is part of the Morse Group who is the developer of the EcoGrove Wind LLC project to be located in the northwest portion of Stephenson County. EcoGrove Wind LLC is owned by an entity know by Acciona, the largest wind developer in the world. Mr. Fishburn asked the committee to consider an amendment to the City of Freeport/Stephenson County Enterprise Zone agreement to extend the enterprise zone to the EcoGrove Wind project. The project is a 100 megawatt wind project located north and west of Lena in Waddams Grove area amounting to a \$200 million project. The developers would like to commence with the project before the end of the year. The initial annexation of the area will encompass 670 acres, but it is anticipated that after the petition to remove excess land is complete, approximately 200 acres of land will remain in the Enterprise Zone to service the project. Maps of the site and a letter addressed to Mr. John Blum, Stephenson County Board Chairman from EcoEnergy were distributed to the committee members. The Enterprise Zone is scheduled to end in 2010 and Mayor Gaulrapp stated that there will be a request to the State of Illinois to extend this time period.

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Executive Session

A motion to move to Executive Session pursuant to Illinois Open Meetings Act regarding 5 ILCS 120 Section 2 (c) (6) – Sale or Lease of Real Estate; 5 ILCS 120 Section 2 (c) (1) – Employee Compensation; and 5 ILCS 120 Section 2 (c) (2) – Collective Bargaining was made by Alderman Endress, seconded by Alderman O’Neill. Alderman Klemm, Bush, DeVine, Endress, O’Neill and Helms voted aye. The motion carried 6-0.

A motion to return from Executive Session pursuant to Illinois Open Meetings Act regarding 5 ILCS 120 Section 2 (c) (6) – Sale or Lease of Real Estate; 5 ILCS 120 Section 2 (c) (1) – Employee Compensation; and 5 ILCS 120 Section 2 (c) (2) – Collective Bargaining was made by Alderman Endress, seconded by Alderman O’Neill. Alderman Klemm, Bush, DeVine, Endress, O’Neill and Helms voted aye. The motion carried 6-0.

Public Safety

1. An Ordinance to Amending Chapter 844 (Mechanical and Electronic Games and Devices) of the Codified Ordinances of the City of Freeport was presented by Corporation Counsel Sarah Griffin. The amendment to this ordinance expands the definition of mechanical games to include dollar bills or any other form of currency, not only coins or tokens.

Motion to approve ordinance as written – O’Neill

Second- Endress

Vote to approve – 6-0

Finance

1. Fiscal Year 2008 – A Nine Month Financial Update was presented by Finance Director Craig Joesten. Financial statements including revenue comparison, departmental expense comparison, and health care comparison were included in the packets to inform the council of the financial picture of the city. Director Joesten summed up the report to state that the revenues of the city have been increased and the expenses have been decreased resulting in a positive contribution to the general fund over the last nine months from operations in the amount of \$120,000. Director Joesten stated that currently the health care costs to the city are down from last year’s claims, expecting them to be down by \$100,000 through the end of this fiscal year. Alderman Klemm asked if the snow plowing costs were included in these financial statements and Director Joesten said they were included up to January 31, 2008. The Street Department shows an additional expense of \$191,360 from last year. Director Joesten noted that some of the revenue items are up such as sales tax and income tax but he also noted that he wasn’t sure if they were sustainable.
2. A Resolution to Authorize Supplemental Funding for Northwest Illinois Development Alliance was presented by Finance Director Craig Joesten. Director Joesten first answered questions read into the record through Mr. John Cook’s letter. Director Joesten stated that he is on the board of the Northwest Illinois Development Alliance and because of his position as Finance Director for the city he is a pivotal part of the finances of the city. Director Joesten stated that \$25,000 is part of the Community Development fund that has jurisdiction over economic development of the city. This \$25,000 is an interim stop gap funding to facilitate the continuation of the operations of NIDA as they

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go through their transition from the previous director to a new director and very possibly a new configuration of how the city and county would like to see them move forward. Director Joesten asked the council consider providing the \$25,000 level of funding and think that is appropriate based on their current financial situation. The money has been appropriated and it is a good investment for the dollars. To answer why a resolution and not an ordinance, Corporation Counsel Griffin said the appropriation ordinance has been approved previously and a resolution is needed as the council's nod of approval that already appropriated funds, in the amount of \$75,000 set aside for FAEDF, for economic improvement may be used for that. Mayor Gaulrapp previously proposed to the council that funds would be requested to help NIDA though this transitional period.

A motion was made to fund supplement funding for NIDA and approve the resolution – Klemm

Second – Endress

Roll call vote – Ayes – Klemm, Bush, DeVine, Endress, O'Neill, and Helms

Motion carried – 6-0

Move forward to council this evening – Endress

Second – Klemm

Roll call vote: Ayes – Klemm and Endress

Nays – Bush, DeVine, O'Neill and Helms

Motion failed 2-4. This will be forwarded to the council in two weeks.

3. Further discussions and additional information on the recommendations for Health Insurance were presented by Finance Director Craig Joesten. Director Joesten stated that NIHP had submitted a renewal proposal today that is similar in substance and format to what has happened in the past in regards to deductibles, attachment points, and related expenses for reinsurance premiums - the total maximum plan cost will be \$2,313,377.00. NIHP has changed reinsurance carriers and proposed to use the ECHO network of physicians. NIHP's attachment point under the new carrier is \$200,000 less than the current plan using this self-insured plan. Numbers were also received from Cottingham-Butler and they came out to be a current proposed cost of \$2,210,145.00. There is a slight discrepancy of the proposal due to 17 families not included in the costs. Director Joesten said there will not be much of a difference in the dollar figures between the two self insured programs. The state plan proposal does not include Monroe Clinic. The state cost estimated came out to be \$2, 218,000 making it approximately \$100,000 less than the NIHP costs. The premium period for the state plan is July 1 to June 30. There will be a premium adjustment in July and an average increase is usually about 5%. There is negligible difference among the costs of the plans. There is a difference in coverage and in particular the inclusion of dental and vision coverage. A cost of \$40,000-\$50,000 annually was calculated in order to add dental and vision to the self insured plans. There is also a \$120,000-\$140,000 conversion cost to go from self-insured to fully insured not calculated in to the state plan costs. Alderman Helms asked if there was an ability to purchase coverage for 30 day time periods. Director Joesten said he is unable to give a definitive answer and he is concerned on the single aggregate \$70,000 amount. He too is concerned about the availability of reinsurance for 30 day time period. Alderman Helms stated that he would like this answer before a decision is made. There is no decision necessary tonight. Detective Forrest Senn was asked to address the council on behalf of the Health Care Committee and he stated that there are quite a differences in coverage available and deductibles between the state plan and self insured plans. Detective Senn stated that the committee feels the best plan for the employees is to go to the Illinois Healthcare Plan.

Adjournment of the meeting at 6:53 p.m.