



City Council

City Council Chambers ◊ 524 West Stephenson Street ◊ Freeport, IL 61032

**COMMITTEE OF THE WHOLE REPORT
REGULAR MEETING
Monday, December 8, 2014**

1. CALL TO ORDER

The regular meeting of the Freeport, Illinois, Committee of the Whole was called to order by Mayor James Gitz with a quorum being present at 6:00 p.m. on Monday, December 8, 2014, in council chambers.

2. ROLL CALL

Present on roll call: Mayor James Gitz and council members Tom Klemm, Shawn Boldt, Ronnie Bush, Jennie DeVine, Sally Brashaw, Michael Koester and Andrew Crutchfield (7). Alderperson Endress was absent. *See page three for Alderperson Endress to enter at 6:12 pm.*

City Staff Present: Corporation Counsel Sarah Griffin, City Clerk Meg Zuravel, Community Development Director Jim Brown, Finance Director Cynthia Haggard, City Engineer Shaun Gallagher, Battalion Chief Jim Blackburn, and Deputy Chief of Police Jim Drehoble.

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Alderperson Koester and he then became chairperson of meeting.

4. APPROVAL OF MINUTES NOVEMBER 10, 2014 AND NOVEMBER 17, 2014

Alderperson DeVine moved for approval of the minutes as presented, seconded by Alderperson Crutchfield. Motion prevailed by voice vote without dissent.

5. PUBLIC COMMENTS – AGENDA ITEMS

There was no one signed on the sheet for public comments this evening.

6. TAX LEVY DISCUSSION [PDF for 6](#)

At the City Council meeting held on December 1, 2014, Ordinance 2014-53 was placed on the floor for approval on a motion by Alderperson Klemm with a second by Alderperson Endress. Contained in Ordinance 2014-53 are applicable levies for Firefighter Pension, Police Pension, IMRF, and Corporate Fund which equate to an overall decrease in the total levy of negative 3.0%. Based on projected assessed valuations, the net effect of this tax levy would be \$0 on a \$100,000 valued home. Council members requested Finance Director Haggard to develop additional levy projections using CPI index and various percentage/dollar values and these calculations have been provided.

The proposed levy on council floor for 2014-2015 and previous year's levies are as follows:

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	2014 Proposed Levy	2013 Tax Levy	2012 Tax Levy	2011 Tax Levy	2010 Tax Levy
Firefighters Pension	569,263	578,701	623,084	878,086	965,806
Police Pension	1,273,118	1,143,543	1,191,541	1,073,551	937,272
IMRF	136,000	257,000	286,400	256,000	240,000
Corporate Fund	469,660	544,470	544,470	464,470	489,540
	2,448,041	2,523,714	2,645,495	2,672,107	2,632,318
Percentage Change	-3.0%	-4.6%	-1.0%	1.5%	2.7%

Finance Director Cynthia Haggard presented eight proposed 2014 Tax Levy Summaries. The summaries compare the 2014 Tax Levy to the 2013 Tax Levy. The proposed 2014 tax levy ranges from \$2,448,082.67 to \$2,599,425.42. The Corporate Fund is adjusted to meet various target scenarios. The Corporate Fund ranges from \$469,702.07 to \$621,043.82.

The scenarios are as follows:

- Levy at 0% - Impact on \$100,000 Home \$11.34
- Levy at 1% - Impact on \$100,000 Home \$15.13
- Levy at 1.7% (Coincides with the Change in CPI) – Impact on \$100,000 Home \$17.78
- Levy at 2% - Impact on \$100,000 Home \$18.91
- Levy at 3% (as requested during the December 1 Council Meeting) – Impact on \$100,000 Home \$22.69
- \$0.00 Impact to a \$100,000 Home (levy on council floor)
- \$6.50 Impact to a \$100,000 Home (as requested during the December 1 Council Meeting)
- Corporate Fund same as last year at \$544,470 – Impact on \$100,000 Home \$11.21

The summaries detail the amounts allocated for:

- Firefighters Pension at \$569,263.20 – Decreased roughly 2 percent from prior year;
- Police Pension at \$1,273,118.40 – Increased roughly 11 percent from prior year;
- IMRF at \$136,000 – Decreased roughly 47 percent from prior year primarily attributable to utilizing a \$150,000 reserve ; and
- Corporate Fund at various amounts.

Discussion was held on the above stated scenarios. Director Haggard presented that the proposed levy on the floor in the amount of \$2,448,041 would be an overall decrease of -3% from last year bringing the corporate fund down by \$75,000. This proposed levy would have a net effect of \$0.00 due to the assessed valuation being lowered by -3.0%.

Aldersperson Koester stated there are a lot of expenditures coming up and he does not understand how you can take a lessor amount in the corporate fund. Aldersperson Crutchfield verified that there would be a -3.0% overall impact on the levy and there would be about \$75,000 less in the corporate fund.

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Aldersperson Bush asked if the Governor-elect would be freezing the tax levy. Mayor Gitz stated that he attended an IML board meeting on Saturday and at this time work has not been verified but if it did happen it would be mean everything. Aldersperson Boldt stated that he does not feel that property taxes are the place to look for revenue.

At 6:12 pm, Aldersperson Endress entered the meeting bringing the number members present to eight.

Aldersperson Klemm spoke about the listing of possible funding sources as requested by council members at the last council meeting and provided by Mayor Gitz. It showed the following additional non-property tax revenue sources including:

Funding Sources	Current	Increase Options
Sales Tax	8.0%	for every ¼% = \$650,000
Food and Beverage Tax	1 ¼ %	for every ¼% = \$120,000
Telecommunications Tax	5%	for every 1% = \$150,000 (cap at 6%)
Gasoline Tax	2 Cents/gal	for every cent = \$120,000
Natural Gas Tax	2 Cents/therm.	For every cent/therm = \$140,000
Electricity Tax	based on kilowatt-hour	50% increase \$220,000

Aldersperson Klemm noted that perhaps we should incrementally add some to some of the other taxes such as gas, telephone. He spoke about the way he sees it is if dollars are cut from the corporate fund then services the City provides will need to be cut. It was noted that on the telephone and gas there is a cap on the percentage it can go up. Aldersperson Klemm spoke about property taxes and the effect it has on an entity such as McDonald's Corporation and he has heard they have to sell more hamburgers just to pay taxes here in Freeport compared to Dixon Illinois.

Discussion was held on the scenario provided which keeps the dollar value of the corporate fund the same as last year. It would have an effect of +\$11.34 on a \$100,000 valued home for the City's portion of property taxes. Aldersperson Crutchfield verified that there would be a -3.0% overall impact on the levy if the proposed levy would go through and there would be \$75,000 less in the corporate fund.

Aldersperson Boldt stated his concern that the tax levy does not coincide with time period when the budget is forecasted. Aldersperson Brashaw requested further information on the cost saving of the proposed healthcare premiums and whether it will help the corporate fund. Mayor Gitz explained that the healthcare changes on the floor are only for non-bargaining employees and until it is implemented in the union contracts it will not be an amount that will have an effect to a great degree. Aldersperson Koester voiced his concerns that property taxes could be frozen for three years by the incoming governor and we should take a slight increase now just in case or it could have a real effect on future levies.

Mayor Gitz presented that it is the administration's recommendation to keep the levy so there is no impact on a \$100,000 home and if council wants to request other options to the tax levy that is their choice. He explained that the budget is trending downward and there are scheduled increases due for the union contracts that were negotiated by the previous administration. Overall, the corporate fund has been reduced by \$1 million over the last ten years in the property taxes.

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Director Haggard explained the IMRF figures in the current levy are \$136,000 and last year they were \$257,000. She stated there are excess funds in this account which may be used to make up the difference in order to reduce the amount for this year. She calculated that there is about \$121,000 in funds and she wants to keep \$50,000 in reserves.

Aldersperson Boldt stated that in 2002 or 2003 there was a financial committee that came up with a package of taxes and having this information would be helpful. He noted that if council members have any proposed amendments to get this information to Director Haggard so the meeting is not delayed. Aldersperson Koester requested to have an ordinance drafted to leave the effect to the corporate fund at \$0.00. Mayor Gitz stated the ordinance is on the floor of the council and no action is needed at this time.

7. 2006 BOND REFINANCING UPDATE

Director Haggard provided that the 2006 bond refinancing will come due in October 2015. This is later than she anticipated. It was estimated that there would be \$9.4 million to refinance. If the council was interested, Director Haggard would look into an option for the financing of the renovation work to be fulfilled in the municipal owned buildings. She asked for opinions of the council as to whether it should be added in when the bonds are refinanced. The other option would be to do it separately. If it was done separately, there would be a \$20,000 cost at closing. Combining would save the City \$20,000 in closing costs. She noted there will be an October closing date.

Director Haggard provided three options to the council with the first option to refinance the \$9.4 million of the 2006 bonds on their own. The next option would be to combine an amount for rehabilitation of the municipal buildings (amount to be determined) at this point it is sufficient to say that it would be \$9.4 million plus. The last option would be to take out two separate bonds which would have a closing cost of \$20,000.

Director Haggard stated the rate will fluctuate based on the market at the time they are refunded. Aldersperson Boldt asked if there should be any council action. Mayor Gitz explained that this was an informational item to inform the council. In order to move forward there will need to be an authorization to move forward with a letter of engagement with Bernardi Securities and they will be looking for an authorization for Director Haggard to negotiate an agreement to allow for funding mechanisms. If there was a contract it will be brought to council. Council provided their opinions with the consensus to do as one bond in an effort to save on closing costs. Discussion was held as to the amount that would be necessary to add to the bond refunding. Mayor Gitz stated this will be on the horizon for the future and the survey results provided opinions to bring two buildings so that they are structurally sound based until a time when we are in a better position to move on them.

8. DISCUSSION OF 2015 LANDFILL CONTRACT – [PDF for 8](#)

City Engineer Shaun Gallagher provided a written memorandum which stated: “The 2015 proposal outlines the numerous activities that are required by our current permits with the Illinois Environmental Protection Agency (IEPA) for Landfills #2/3 and #4. In order for everyone to have a clear understanding of the value of this contract, we have requested that each activity performed be broken out into a lump sum agreement per task.”

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City Engineer Gallagher stated this year he asked that the sampling items be expanded to show the current lab fees, so that Council has a better understanding of those items. Any activities included in this contract that are not performed or deferred to next year's contract, will not be charged to the City of Freeport.

City Engineer Gallagher stated he indicated last year, the outline of services provided in these contracts has been reducing in cost and scope, as various permit requirements are being completed. This year he requested a three-year summary of past, present, and future spending within this annual contract. This proposal covers the required groundwater, leachate and gas monitoring at each landfill, along with continued inspection and annual reporting. This past year it was elected to shift the operating permit renewal that will require extensive modeling to 2015, in order to delay this expense. We also requested a lowering of our lab fees, as we utilize the same laboratory for analysis within the Water & Sewer Commission. Due to the longstanding history of this project, City Engineer Gallagher requested that Joel Zirkle of Fehr Graham be present at our Committee of the Whole meeting in order to answer Council questions.

The supporting documentation provided by Fehr Graham stated that they will provide various consulting activities required by the current permits for Landfill #2/3 and Freeport Landfill #4 for calendar year 2015. The Fehr-Graham proposal outlines the activities that will be undertaken in 2015. These activities are statutorily required because of closed landfill and on page 3 it includes the following based on the amount of testing that needs to be performed at the two sites;

Freeport Landfill #2/3

Monitoring Well Sampling (Labor and Equipment) --- \$33,100.00
Monitoring Well Sampling (Analytical) --- \$44,400.00
Leachate Sampling (Labor and Equipment) --- \$1,950.00
Leachate Sampling Analytical --- \$1,477.00
Leachate Recovery System Maintenance --- \$5,640.00
Annual Report of The Effectiveness Of Corrective Measures --- \$6,000.00
*Annual Reporting for FMLF #2/3 --- \$00.00
Inspection and Mowing --- \$5,100.00
Monitoring Well Elevation Survey --- \$2,325.00
Sub-Total: \$99,992.00

Freeport Landfill #4

Monitoring Well Sampling (Labor and Equipment) --- \$17,750.00
Monitor Well Sampling (Analytical) --- \$20,300.00
Leachate Sampling (Labor and Equipment) --- \$3,200.00
Leachate Sampling (Analytical) --- \$3,230.00
Gas Monitoring --- \$7,200.00
Inspection and Mowing --- \$4,750.00
Monitoring Well Elevation Survey --- \$1,150.00
Annual Reporting for FMLF #4 --- \$7,100.00
Assessment Monitoring Report --- \$5,000.00
Establish New Background Values for FMLF #4 --- \$5,000.00
Operating Permit Renewal \$32,000.00

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Sub-Total: \$106,680.00

Total: \$206,672.00

In the proposal, Mr. Zirkle noted the IEPA may have new requirements that are not detailed in this proposal, which will have to be addressed. Items that are not included in this proposal include:

- Leachate recovery system cleaning and repair oversight for FMLF #4. This work will be completed on a time and material basis as requested.
- Construction oversight and associated IEPA reporting for the FMLF #4 leachate collection system by-pass line. This work, if requested would be completed on a time and material basis.
- Repairs to leachate recovery system at FMLF #2/3
- Additional sampling that IEPA may require during the year.

City Engineer Gallagher noted that there is no council action necessary tonight and he will provide the proposed agreement in an upcoming council meeting. He stated that he also provided to council a breakout of the three-year summary of past, present, and future spending within this annual contract. He explained that Water and Sewer does their own testing and perhaps some of the expense could be shifted to in-house testing because they use the same lab. He has also asked for a price break from the laboratory due to the extensive fees paid by the City's Water Commission. Mr. Zirkle of Fehr Graham was asked to the podium to answer questions for the council regarding IEPA regulations, timing of the closure and the testing required by the IEPA.

9. UPDATE ON RENTAL PROPERTY REGISTRATION – [PDF for 9](#)

Community Development Director Jim Brown provided a power point presentation to inform council on the Rental Property Registration Program. He stated the purpose of the ordinance was to improve partnership between property owners, tenants, and the City. It was also implemented to bring about safer neighborhoods, reduce crime and drug related activities in rental properties, reduce police calls to rental properties, and bring about more stable tenant base for rental properties. He reviewed the key dates including:

November 2013 – ordinance approved
June 2014 – registration deadline
June 2014 – amendments approved
October 2014 – adjudication of non-compliant landlords
November 2014 – fines issues to non-compliant landlords.

Director Brown reviewed prosecution to date and stated they have coordinated with City's prosecutor, identified worst offenders, four landlords were sent violation notices for non-registration of ten properties in September 2014. The first round of hearings were held on October 2014 involving four landlords for ten properties. There were four cases dismissed by City as non-rental, five cases require further litigation, and there was one default judgment. A second round of hearings was held on November 2014. At that time, the October cases were finalized, one fine was issued at \$250.00, and four default judgments for \$28,750.00. There was one new case in November. There is a third round of hearings scheduled in December 2014. At that time there will be five landlords with nine properties and one case carried over from November 2014.

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Director Brown provided a summary of the program accomplishments including actively engaged in prosecuting housing issues, identified properties for condemnation – lack of water, better system for evictions, township and community action now require inspections before issuing deposit/rental payments, and data base create clearer picture of housing condition of properties. There has also been tenant accountability.

Director Brown provided that there are a total of 2,018 properties registered and of those 1,385 are single units, 505 are duplex, three-plex or four-plex with the remaining being larger units. Director Brown reviewed the revenue and the costs of the program with \$15,245 received in during fiscal year 2013-2014 and \$37,080 received in for fiscal year 2014-2015. Personnel costs have totaled \$34,109 for both fiscal years to date, contractual services cost \$7,150, supplies cost \$977, and capital outlay for computers and software totaled \$11,957 for a total program cost for both fiscal years to date in an amount of \$54,193.00. The expenditure to date exceeded the revenues by \$1,868.00.

Mike Lehmann of the Police Department provided an overview of the landlord training. He has presented three landlord training sessions with 35 attendees in August, another 20 attendees in September and the information provided was to introduce the ordinance and provide initial training. In December, he presented a session on drugs and gangs and had 30 landlords attend that session. Another part of Mr. Lehmann's duties is part of the crime free component in which he has sent 833 letters and emails to landlords regarding police related occurrences on their rental properties. He has made an average of 29 contacts per week which equates to 1,508 per year. Letters are sent when repeated calls to the same address and tenants. Police have been actively engaged in addressing housing and crime issues. There have been ten cases elevated to landlord taking aggressive action. Three of the 10 the landlord interviewed with the Police personnel. In two cases, tenants were evicted with one receiving a felony charge. He described cases when a landlord is notified – felony arrests, presence of parolees and sex offenders. In the case of a violence act they protect domestic violence victims. No notices are issued for juvenile offenders or victims.

Mr. Lehmann stated generally landlords have been appreciative of his communication with them, they have handled issues upon notification, they have implemented the crime free addendum into their leases and there is interest in a landlord certification program.

Director Brown stated the Rental Property Registration Program makes it easier to contact and work with an agent for that property, whether it is the landlord or a registered agent. There is a high rate of rental property registrations compliance. Most rental property owners have registered their properties. Director Brown stated the City has been taking owners to court who failed to comply. In these cases, some of the fines being assessed run into thousands of dollars. Recent court decisions mean that these fines should be collectible in the Circuit Court. He stated part-time staff is immensely important for the follow-up process to write notifications of a problem at that property. However, the present budget allocation is insufficient to cover all of the costs of the program. This is particularly true if we need to modify or change the software program to make it interactive with other City databases. The crime free housing addendum provides a very useful tool for holding tenant accountable for their conduct. It also provides landlords with an effective tool for barring individuals who engage in destructive acts or criminal conduct and evicting tenants who fail to comply with the basic provisions of the addendum.

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Director Brown explained you may hear from landlords who dislike paying the registration fee. However, there are a number of landlords who have expressed appreciation for the services they receive through the program. In many of these cases the landlord is unaware of tenant conduct that damages the property or adversely affects the neighborhood until they have received notice from the City. They appreciate the personal conduct, especially from the Police Department representative for the program.

Director Brown stated the program has highlighted a huge and growing problem of landlords who do not offer even basic water and sewer service, let alone habitable properties. In many cases the City has had to board up the property until these issues are resolved. The City would have better tools against continuing violation by problem property owners if there was a landlord registration program adopted as part of the reauthorization. The Police Department, Fire Department and Community Development Department all recommend reauthorization of this program with a fee structure sufficient to make it self-sustaining.

The council was provided an opportunity to discuss rental property registration. Alderperson Klemm asked Mr. Lehmann about software modifications and what needs to be done. Mr. Lehmann stated the investment was made in the software and staff is working to consolidate so they are only working with one. Director Brown stated we paid about \$7,000 on the software and we tried development of an access database so what we are using is a bifurcated system and it is cumbersome for the Police Rental Property Specialist and within the next week we need to reach a decision as to which way we should go with it. There are issues with both of the systems now. We have also had discussions with the software vendor and to Director Brown's satisfaction it is working. It does not interface with GIS mapping system. Director Brown explained the extent of interfacing the two systems.

Discussion was held on the expenses and revenue of the program. Director Brown cautioned that we are only three-quarters of the way into the personnel costs because that was a year to date figure provided in the slide. Both employees are part-time and can only put in 1,000 hours per year and Ms. Lancaster is close to meeting those hours and Mr. Lehmann has hours left. Director Brown stated we are looking at another \$10,000 in personnel costs (salary and benefits) in order to finish out the full twelve month program. So if you add that back in we are right at break-even. We will always have mailings, postage, and software agreement. Corporation Counsel Griffin stated at the time the ordinance was passed instead of passing it as an annual fee it was passed as a one-time fee so the program was self-sustaining for one year being about \$2,000 off. It was going to be revisited to see if it was a successful program. She noted that leaves you with \$0 for next year.

Alderperson Crutchfield asked Mr. Lehmann about juvenile and domestic violence cases. Mr. Lehmann stated that based on the nature of those calls, a landlord would not receive notice due to confidentiality. The 1,500 calls do not include domestic violence calls. Discussion was held on the sensitive nature of these cases and protection of the victim of domestic violence. Mayor Gitz explained the court cases and the tools available to the City to seek action on noncompliance for those who did not register. Council members discussed fair housing regulations and a listing available through Stephenson County for forcible entry listing distributed to the Freeport Area Landlord members and if it is written on the rental policy you can stipulate that you do not rent to those on the list. Alderperson Brashaw cautioned you have to be careful with felons and the fair housing rule.

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Mayor Gitz stated he had a couple inquiries from the council regarding rental property registration ordinance so this was an update and this will be coming to the council as a reauthorization in the near future to discuss these issues.

10. UPDATE ON FREEPORT DOWNTOWN DEVELOPMENT FOUNDATION ACCOMPLISHMENTS, GOALS, AND PLANS - [PDF for 10](#)

Community Development Director Jim Brown stated Freeport Downtown Development Foundation receives TIF dollars in the amount of \$50,000 per year from the City and that amount is divided into \$25,000 for administrative and other routine operations and \$25,000 for the fulfillment of specific goals. He explained starting late last year the City requested that a plan with specific goals be submitted. Additionally, the City requested that proof of progress and/or fulfillment of the goals also be forwarded. Last December the Council authorized the approval of a “gap agreement” between the City and FDDF for “the remainder of 2013 with the intention of negotiating a full year agreement for 2014 with comprehensive 12-month goals.” While a plan was submitted in early 2014, it was not approved. City staff, including myself, felt that the 2014 plan as submitted by FDDF did not contain goals worthy of \$25,000. Early this past summer Director Brown forwarded suggested goals to FDDF. FDDF, however, was initially uncertain of its capabilities to fulfill some of the suggested goals. After much discussion and clarification, hampered at times by the inability of the FDDF board of directors to field a quorum, FDDF agreed to tackle several of these suggested goals.

Director Brown noted FDDF’s biggest event was Cruise Night and it was reported to have brought in 13,000 people to the downtown for the event held in August 2014. He noted the Brewfest and the Music on Chicago events were very successful events to promote the downtown.

Director Brown explained the work on two of the goals in completing the vacant building inventory and a parking utilization survey. These two projects are substantial in scope and will require significant contributions of volunteer time. The inventory will carry over into 2015.

Director Brown’s memorandum stated we again find ourselves at the end of the calendar year without an approved FDDF plan. Director Brown stated he finds it appropriate to combine the approval of payment for FDDF’s 2014 activities—despite lack of an approved plan—and to proceed with approval of a 2015 plan. This will finally put FDDF and the City on a calendar-year cycle, similarly to the TIF spending plans.

The Committee of the Whole packet included the FDDF 2014 Accomplishments and FDDF 2014 Year in Review. The president of FDDF, Brian Berger, and its director, Danielle Rogers, were available for questions. Alderperson Crutchfield asked about the progress of the vacant building inventory because this is vital to marketing the City to have an inventory of property. Discussion was held regarding the task of the vacant building inventory by both NIDA and FDDF and the progress that has been made to date. Ms. Rogers stated the vacant building inventory was on last year’s goals. We had twelve targeted buildings and they were able to gain access and information on six building. Those forms were filled out and given to NIDA. Then this information will be placed on NIDA’s website and that was done last year. This year it was started in November to have seven groups of volunteers to gain access to two more buildings and one of those building has already been sold. Council members congratulated FDDF on their accomplishments and bringing in new retail into the downtown.

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Alderperson Boldt asked about the plan and why the agreement was not put into place for 2014. Mr. Borger stated there was a variety of reasons it did not get accomplished and the City may say why it did not happen and he could speak to why he does not think that it progressed and there would be some commonality and difference of the lists. This is not unique to 2014 as it also happened in 2013. Mr. Borger stated we need to work from this point forward, look at what was accomplished in 2014 working with a part time staff and an army of volunteers and it is up to the council whether it is worthy of funding FDDF. The City and FDDF are unified in wanting to improve the downtown, to grow the downtown and to make it an economic engine and that is what we strive to do all the time. He explained the process of the goals and having them implemented in 2013 and 2014 and by having the written goals provides more substance.

Discussion was held on the marketing survey and the favorable results for the events put on by FDDF. It was requested of Ms. Rogers to provide a copy of the recent marketing survey to council members.

11. DISCUSSION OF CITY HALL BUILDING ISSUES

City Engineer Gallagher stated the survey indicated that the demolition of the two municipal buildings (314 W. Stephenson and 230 W. Stephenson) was not preferred. The survey also indicated a level of repair of some sort should be done to each building to keep them from collapse or long term major issues which would ultimately result in their demise. The survey indicated that a complete rehab was not preferred due to the costs. One of those concerns showed up on the rental aspect indicated that we stay here which was likely derivative of the costs and economic conditions. City Engineer Gallagher stated one of the things that we discussed internally is how to we take the survey results and put them into an allocation of what is the next step. He stated there is the “do nothing” step by not putting any more money into the buildings and wait for better days. The object of the estimated spreadsheet provided to council this evening an intent to save both buildings from future demolition with the least possible expense. He stated this is the least expensive alternative to salvaging both buildings for a better day.

City Engineer Gallagher provided a listing of possible reduction in estimated costs for Carnegie Library. The listing provided the renovation estimates at the Carnegie Library building located at 314 W. Stephenson housing 16,570 square feet renovation area edited from \$3,019,155 (\$182.21 per square foot) to \$1,981,885 (\$119.61 per square foot). He stated after discussion with staff and Mayor Gitz there are some cost effectiveness with that building over the old City Hall based on the lack of structural elements that are of grave concern that eat a lot of the preliminary budget. One of the element of the estimate that was prepared for this evening provides for highlighted areas which were removed either completely or where we will utilize our Public Works staff whether that be interior demolition or items such as trim work, painting where we could handle ourselves to keep the costs down. City Engineer Gallagher stated this is not his final draft of the estimate but it is close. He recently toured the building and looked at the possibility of a three stop elevator. This is an effort to make it ADA compliant. He discussed his estimate for the elevator installation with Otis elevator and it was determined that his estimate was high so it was recalculated. He looked to reduce other items based on Public Works availability. City Engineer Gallagher reviewed what he is proposing on a renovated Carnegie Library building which would be considered a modest renovation. What holds the Carnegie over the old City Hall building is the open layout of the building, similar to the building that is occupied now. There is very little reorganization of the interior. He stated what we know about DCEO grants and there is an element of cost efficiency with energy grants that will hopefully drive

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this cost down. Our concern is to tackle this project and put major funding into long term 50 year design elements of it and do a modest interior, things that you can build upon, or if this is a temporary location for City Hall to move from it so someone else can do those things. City Engineer Gallagher reviewed the cost estimates of the renovation to the Carnegie Library building for use as a potential City Hall structure.

Discussion was held as to whether to incorporate the costs into the bond refinancing for the 2006 bonds and to fold it into one bond, whether to begin discussions with Bernardi and how this could be incorporated into council action for upcoming council meetings.

City Engineer Gallagher explained his proposal to make the building inhabitable and to make it flexible for someone else to come in and make formal changes as to their preference for the final product. There may be a better opportunity for a private sector investor to take advantage of the historic tax credits down the road to finish it off. City Engineer Gallagher stated the intent is to bring one building back to salvageable position to bring back the vision for someone else to buy it and finish it off. There are much more creative ways in the private side compared to the public side to take care of these buildings but the issue is they are both our right now.

Aldersperson Crutchfield asked Mayor Gitz if he is looking for a recommendation this evening. Mayor Gitz explained to the council what they are looking for is consensus from the council to move forward and then they will come back with wording that is necessary to bring this forward for council action. Aldersperson Crutchfield asked if this would eventually need to be an ordinance or a resolution. Corporation Counsel stated they would need a formal ordinance or resolution for the funding of it, any contract if it is a design-build would be entered into by the council, and technically the official City Hall address is written into the codified ordinances. She expects that the first thing would be the contract with the design build. At this time she thinks what they are looking for is whether the council is interested in moving toward a design build option for this building or that building, so certainly anything you do will need a formal action. It depends on the approaches you take.

Aldersperson Crutchfield asked if the purpose of the design build is to keep the price down. City Engineer Gallagher stated you have two options, you can do the design build or you can do full architectural plans and really capture the vision of Freeport to give yourself a product to sell. The problem with that is that you incur the cost and overhead. He stated he would probably prefer the design-build at the Carnegie Library over that of the old City Hall building is that the layout is not going to change theoretically at the Carnegie Library, at least for what we are proposing – you could always change the layout. It is open floor plan now and it works pretty well here with the open floor plan, it allows you to make modifications as you have to with staff changes. With the Old City Hall building you would need an architectural space needs analysis and things that come along with the benefit of a full design. It would make it a very nice building with the design build but it depends on how much planning and development that you want to put into it because you are going to pay the overhead for it. Mayor Gitz stated that if the council wants, you can ask us to prepare a design build plan premised upon this plan and stabilizing the City Hall building. That is the sense of the council as to where you want to go and we can start filling in the blanks as to the steps to get there.

Aldersperson Crutchfield made a motion to make a recommendation for the next city council meeting for the administration to come up with a design-build plan for the Carnegie Library building as well as

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for the stabilization of the old City Hall building. Corporation Counsel stated it would be done as a minute order such as a motion to do that or it can be requested to draft a resolution to formalize. Alderperson Klemm asked Alderperson Crutchfield to amend the motion to direct Director Haggard to put that all under one bond. Alderperson Klemm made a motion to second the motion for the recommendation to council. The motion passed by voice vote without dissent.

Alderperson Klemm asked that if the council has any ideas or suggestions to direct them to Mayor Gitz.

12. PUBLIC COMMENTS – AGENDA OR NON-AGENDA ITEMS

Jilly Whiting, 411 S. State, Freeport, Illinois spoke about the rental property registration. She stated listened to the presentation and stated she deals with Township and Community Action all the time and they have never required an inspection on rental properties. In looking at the cost to maintain this program she does not see the cost as being as much she would like to see it as more realistic costs for the second year and on ward. The first year is costing a lot more. You bought computers and software and had all these properties get registered and so that registration process has been cut back dramatically after the first year. The only thing that would be registered are the ones that are being sold or transferred. She thought the costs were done very unfairly based on different levels of costs. She stated a unit is a unit so there should be a flat fee per unit and that would be more fair. The cost should be less than last year. She does not understand why we can't shut down the so called bad actors and shut down the bad landlords because of the building codes we have on the books. She spoke about the letters sent out for the properties at least one of the letters she received was an instance that really did not have to do with rental property but they knew the person that lived at the property that she had registered so she received the letter. The incident had nothing to do with the tenant being a bad tenant. She asked what kind of teeth you are going to have in collecting the judgments. She recommended that alone would pay for the next year costs. Ms. Whiting stated most of the water and sewer issues were caused by the last mayor and, not by this mayor, and that put a lot of tenants in a lot of problems.

Brian Borger, 1828 W. Canyon Drive, Freeport, Illinois, stated he has attended a lot of City council meetings and has listened to the conversations and what we need to focus on is moving the City forward. To do that it is going to take thinking differently and thinking creatively. We no longer can continue to think and operate the way we have. It is going to take looking at our expenses, and the unfortunate thing is that it is HR expenses, a lot of people so there may not be a lot of savings there. We need to look at all of our taxes and fees and everything that we charge people for and the ways that we charge them. Nobody wants to pay more in taxes but if we are going to improve the quality of this community we are going to have to ante up. He recommended that we look at other communities and look at other ways to raise dollars. We may have to look at consolidating government entities how we manage and how we operate and try to determine a stream line on what to do.

Andrew Schroeder, 651 Barley Ridge Trail, Freeport, Illinois, spoke about the increase in healthcare costs for non-bargaining employees. As a non-bargaining employee one of the concerns of the employees that they would like to be addressed is what else has been done to curbing healthcare costs, other than the proposed premium increases and coverage changes. He asked if we have solicited any bids from any other health care provider – have we checked with the Monroe Clinic, Blue Cross. If the employees were able to get that information it may be an easier pill to swallow. He just found out that we have an informational meeting tomorrow for healthcare and he hopes that information can be

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provided at those meetings. Mayor Gitz stated that yes the City has looked into those issues and will be presented at the employee meetings tomorrow.

13. ADJOURNMENT

Upon motion (Crutchfield) duly made and seconded (Brashaw), the meeting was adjourned at 9:22 p.m.

S/ Meg Zuravel

Meg Zuravel, City Clerk