



City Council

City Council Chambers ♦ 524 West Stephenson Street, 3rd Floor ♦ Freeport, IL 61032

**COMMITTEE OF THE WHOLE
MINUTES
REGULAR MEETING
MONDAY, JULY 11, 2016 AT 6:00 P.M.**

CALL TO ORDER

The regular meeting of the Freeport, Illinois, Committee of the Whole was called to order in council chambers by Mayor James L. Gitz with a quorum being present at 6:00 p.m. on July 11, 2016.

ROLL CALL

Present on roll call: Mayor Gitz and council members Tom Klemm, Peter McClanathan, Art Ross, Jodi Miller, Patrick Busker, Michael Koester and Andrew Chesney (7). Sally Brashaw was absent due to illness.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Alderperson Miller. She then became the chairperson of the meeting.

PUBLIC COMMENTS

Dean Wright, 341 S. Main, Pearl City, Illinois spoke of his support of abandoning the Committee of the Whole Structure and returning to committees. He spoke of this allowing for more open dialogue between council, administration, department heads and citizens. He referenced an ordinance passed in 2003 establishing committees and recommended a review of this.

APPROVAL OF MINUTES

Alderperson Koester moved for approval of the minutes from the meeting held on June 13, 2016, seconded by Alderperson Chesney. Motion prevailed by voice vote without dissent.

PRESENTATION BY EXECUTIVE DIRECTOR OF THE WATER AND SEWER COMMISSION REGARDING RATES AND INFRASTRUCTURE

Executive Director Tom Glendenning explained that we are here not because of water and sewer rates but also because of time. Over time there has not been a thorough education of Freeport utilities to the decision makers over several decades. The past has failed to take care of our most valuable capital intensive assets - water and sewer utility. These areas have created an effect of undervaluing our most valuable life and commercially sustained asset - water. He stated he cannot stress enough the word undervalued. Everyone in a lot of cities that get in this position say that every community has this

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problem which they say to avoid some of the stress and responsibility for charging the appropriate rates to cover the true costs of providing and maintaining utility services. Politically lower rates were nice and accommodating over the years both then and now. He spoke of recently hearing a renowned comment when discussing possible rate increase with a community group; the proverbial statement, "kick the can down the road our rates are already too high". He stated his is starting to have a hard time with the metaphor when the tin can when is used when it relates to public health, environmental safety and when it reflects the necessity of City utility sustainability. It was mentioned a few meetings ago that if this process was started thirty years ago when everyone knew that the utility was one hundred years old and very obviously things were failing and we didn't have some of the dynamic and earth shattering water main breaks but never the less, the utility was fully depreciated and there were a lot of structures going. While nothing got done during those thirty years and moving forward now the cost is \$100 million dollars more. That's what it cost to kick the can down the road and not get it done. Water main costs back thirty years ago were \$85 a foot, now those costs are \$250 a foot. Our water and sewer assets in the City of Freeport equals just short of \$400 million dollars in today's replacement value. Water is being produced and discarded at 2.75 billion gallons per year, 8 million gallons per day, 315,000 gallons per hour, 5,232 gallons per minute, 87 gallons per second throughout over 333 miles of distribution and collection piping and infrastructures. We could run lines past St. Louis with all the material we have underground. He explained that our current rate structure consists of three components; base rate fee, a usage fee and a Capital Improvement Projects fee. Base fee is referred to as our "lifeline rate" and is what we need to keep our utility intact on a day to day basis and also to meet debt service payments. With the usage fee we have what is called the "usage block fee" to simplify this is the exact gallons per location that is being used. It fluctuates from day to day but as we pump more gallons we spend more electrical, more chemicals and more testing and the cost is related to the depreciation of equipment and infrastructure that is directly proportional to usage. He explained that the next part of our fee that doesn't show up on most of your bills that is hitting us the most is commercial and industrial digressive block structure meaning the more water used in a 3 block tier, the less each service location pays for each gallon of water delivered for the month. This was adopted in 1937 with the City of Freeport purchased the "Freeport Water Company." Back then it was very lucrative for Freeport Water Company they wanted to sell more water because the more you sold the more money you made. That is not the case now with inflation and infrastructure and this now isn't such a lucrative thing. He explained that after you get to 7,480 gallons which is 100 cubic feet you start paying less per gallon of water. At 3rd tier which is approximately one million gallons the rate drops even more. He explained it does not cost us any less to produce the first gallon vs millionth gallon; it is the same cost. He spoke of this being a hindrance as we are pushing that much water through our pumps and more chemicals, it is actually accelerating the depreciation of our system the more you use; so giving away water cheaper if you use more no longer works. You can pump it but we cannot necessarily support delivering it any more. Last part is our Capital Project Improvement fee and was established in 2007 by Ordinance 1053.1. It was originally done for ease of separating new capital equipment so it could be better depreciated and kept track of for big purchases. Shortly after established; they started raising the capital improvement fee in the anticipation of making the principal and interest payments for the first Big 4 IEPA loan and later on we included Phase B. He provided examples of our revenue and expense sources for both water and sewer. He explained on the expense side we have debt service against water and sewer base fee for bonds that have been brought over the years to refinance and that cut fees in about half. This used to be about 30% and now at 17%. He explained he included storm water so could see percentage of income more importantly all of our sewer fees tied up in bonds until 2035 before we will have any additional fees left over there. He spoke of 90% of our capital improvement fees is coming from

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residential, 8% from commercial and 2% from industrial. He spoke of principal and interest payments being tied up for 20 years and the annual amount left is \$400,000 for equipment and projects. He provided a graph showing what has been going on since 1997 showing that in 2007 there was a decision to lower operation and maintenance revenue to create the capital improvement fund. As that fee dropped there were further drops as time went on due to vacancies, demolitions, a lot of industrial drops in our usage that has impacted our revenue. He explained that some of this was self-inflicted because predecessors didn't get the programming into the water and sewer rate structure correctly and we lost some on that. He spoke of being at a flat line of where we stand now with current revenue coming in for operation and maintenance. Our expense corresponding with this started to decline and then that too flat lined. No O & M increase since 2007 meant have to start deferring operations and preventative maintenance in order to meet our budget all the while suffering a 42% inflation factor. He presented a graph showing long term trends in Consumer Price Index for utilities with Water & Sewer heading the list showing the only two that come close to that is garbage and cable. The final summary showed a 5.3% of inflation over long term average and a ten year average. He provided a show and tell demonstration of a unit that if purchased in 1997 the cost was \$ 23.17 and that price now is a \$60.17 unit that goes in to every main. He spoke of collecting almost as much capital improvement fees as O & M fees at the same time. He reviewed area rate comparisons that everyone has been requesting and spoke of struggling with this as there are so many things compiled in this report that make it not an even comparison to review which include base rates, user rates, debt service, treatments, if garbage is included among some of the items to consider. He said he personally pays 67% more for water in Stillman Valley than people in Freeport pay. So many factors in comparing yourself to another community it is almost impossible to do. He spoke of our depreciation being our number one and the fact that he sees it differently; he views this as piles of pipes busted and pumps worn out. He spoke of the waste water treatment plant being worth \$26 million dollars but on paper it is a negative \$3 million dollars. Last and final thing is we need to look at our full cost of pricing for sustainability of utilities in Freeport and explained that no one else matters that we have to do what is right for Freeport. He provided a chart that was for water usage only for areas towns and we are 38% below the median average. He also provided commercial rate stating that we 52% below the median average. For the area industrial rate Freeport is the lowest based on 1,250,000 gallons of monthly water usage. Sewer based on 6,000 gallons of wastewater monthly showed us in the lowest range also. He spoke of where do we start and how much do we need explaining that last month he provided council a significant report and he listed the following;

- Replace water main at the minimum rate of 2 miles per year for the next 30 to 40 years (\$2.5 million per year)
- Sanitary sewer lining at the minimum rate of 1.5 miles per year for the next 10 years, .5 miles for the next 20 years (\$850,000 per year) He spoke of an incident that had recently happened on Laurel where raw sewage was spewing four feet high on a Sunday and they were able to shut off lift station and secure within an hour and a half. He spoke of having to do sorry call to EPA that it happened, sorry email to notify them of all the details and then he had to start sorry template letter to Springfield where he has to quantify the amounts of what we did and what we are going to do to fix it Immediate replacement of water mains running under the railroad right of ways (\$1 million minus grants)
- Immediate replacement of sanitary force mains (\$3 million)
- Water service replacements across the City (\$4 million) (\$100,000 plus per year)
- Carroll Elevated Tank Rehabilitation (\$750,000) Way past due; longer we wait more the expenses will increase.

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- Staffing – next 5 to 10 years losing 33% of skilled veteran staffing in all areas of operations. Current staffing is short by 4 to 6 individuals, based on proper operations and preventative maintenance procedures.
- Planning for replacement of 90 to 134 year old Water Filtration Plant (In excess of \$10 million)
- Upgrade of Wastewater Treatment Facility (In excess of \$10 million)
- Ongoing capital equipment replacements.

He explained that to get ourselves out of this the very first thing we have to do is quit backsliding. We have to put a Consumer Price Index on all components of our rate increase. He provided a sample of what a Consumer Price Index Adjustment could be; On May 1st of every year, upon the approval of the Freeport City Council, the water system availability charge and the per unit usage margins for all rate customers will be adjusted by using the most recent CPI as published by the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) using the “Water and sewer and trash collection services” index. He explained this is what an ordinance will look like if we adopt it. Last and biggest thing to open up discussion is an incremental water and sewer rate increase; we can’t just assume a Consumer Price Index Price increase and walk away from this. We need about \$30 per month, per property to do a thirty year program which is extremely conservative but logical to start getting some of this done.

Aldersperson Klemm stated he appreciated the figures and trusts the information that was provided. He asked about the industrial and larger users and questioned the number of those users. Director Glendenning responded there are three. Aldersperson Klemm then asked if there had been events that happened where there were problems with what they put in sewer lines. Director Glendenning said one of them and explained that we cover surplus but that we don’t necessarily recover the water produced going to it. Aldersperson Klemm asked if within the three business affected how big of an item is this to them. Director Glendenning stated he has had slight discussion with some and when find out they are being supplemented by us going out other items for the rest and unless we took that cost and redistributed amongst all the other users there is no other way to do that. We can produce water but getting it delivered is where the problem is.

Aldersperson McClanathan asked what percent is being made up of by the replacement costs for curbing and sidewalks and asked as these replacements have been done. Director Glendenning replied the utility is paying for those types of things. When we get into a program where we are doing 2.5 miles per year the less he has to do of replacements, the more pipe he can get into the ground. City Engineer Gallagher spoke that it depends on the project as there are two kinds of extremes. He spoke of doing Adams & Clark and that we basically built state of Illinois a highway last year because of our sanitary sewer which was 18, 19 people because of the location of our utility within a public right of way. We look at Phase B and it is a little bit closer to 60 – 40 because of inflation of materials 60% is going to water main and 40% going to parkways. He spoke that it would be more expensive if we chose to go down the roadways. The incidentals add up in a project and are what add up. We end up buying a lot of stuff because we are underneath.

Aldersperson McClanathan asked about the materials that we are using now vs what was used years ago and asked what the life span is now. Director Glendenning explained that technology has taken a huge jump and materials we are using now go through brutal testing and are much stronger and he thinks we are looking at one hundred years for life span of these newer products and feels this is an investment that will go longer.

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Alderman Chesney spoke of using the \$30 a month figure and in calculating that he comes to a 60 to 70% increase in overall bill. Discussion was then provided that explained that there had been an increase in capital improvement surcharge in the past six years and that the money was for projects only. The last one for \$6 put \$1 aside for energy efficiency program because we can recover that immediately and \$5 goes to Phase B.

Alderman Miller asked if there was a \$30 increase for residential what would it be for commercial and industrial. Director Glendenning spoke that this is something we need to discuss first and to look at digressive structure and look at pay schedule which is based on meter size and a 2" line pays more than residential. He explained we Based on percentage we would do on base fees but are smaller based on residential. He referenced his pie chart where it showed we get 75% from residential and the smaller ones don't pay as much so we are being equally incremental to their base also.

Alderman Koester questioned how this incremental scale for businesses how that would impact them and what kind of additional revenue would we have with those changes. Director Glendenning advised currently for first 7,480 gallons you pay .0014973 cents per gallon, the next 67,320 gallons you pay .0013636 cents per gallon. There are actually four tiers to the structure but the two big industries get right down to .011230 probably in the first day of their pumpage and those are Snak King and Modern Plating. They use a ton of water and those are our two main ones. This would not be a huge impact as we are only talking two industrial customers. Alderman Koester asked if we increased the rate based on usage and did away with the tier system what the financial impact would be on the businesses and what impact it would have on Water & Sewer. Director Glendenning replied that he could figure this while Shaun was giving his presentation and then present that.

Alderman Koester then asked when new meters were put in he understood that this would help stabilize bills and provide a more accurate reading to help stabilize bills and wondered if this had happened. Director Glendenning replied that there is less than 7% impact after new meters.

Mayor Gitz asked Director Glendenning for the record that if the change in the digression rate for large users was a real factor in whether they continue operations in the City does your position on the advisability of changing that structure change. Director Glendenning replied possibly as long as there is understanding that the revenue has to made up if it is extra depreciation or if it is costing us more to pump than that dollar then obviously it has to be made up. He spoke of there being lots of positives in keeping a business to come back to taxation and not necessarily the utility so yes, it obviously would be good to have them use our utility and our resources and get more tax dollars because of their usage.

Alderman Chesney spoke that it is good practice not to speak of specific companies and talk about businesses rather than naming them. He talked about depreciation stating his understanding is from the water box to our property we are responsible for that piece of waterway. Director Glendenning advised that is correct. Alderman Chesney then spoke that the average person who has a house that is 20, 30, 50, 100 years old we don't look at that line and say it is it is say 93% depreciated. If we have a problem we fix it and if we don't have a problem we don't have a problem. If we were to take this in a real estate setting and say that a house depreciates over 27 ½ years that is accounting formula but doesn't accurately reflect the value of a property. He spoke when talking about depreciating a water and sewer infrastructure project while it might sound like it is 90% depreciated he stated he would argue that

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virtually 100% of everybody's water main from the water box to their house is depreciated, so are we then going to encourage everybody from the water box to their house to rip up their yard to fix their water pipe or do we just simply...where is the balance here from what has to be fixed to getting on top of depreciation because it sounds very scary and is a massive number and thinks if we walk back a bit we might come to a different number.

Executive Director Tom Glendenning explained that water quality wise will be the first driver for what will be mandated to our portion from the main to the property line regardless and that cost is about \$1,800 per service for us to facilitate and that is our cost. When we come to a property like that we stage it way ahead of time and have discussion with property owner. He spoke of previously having stated that they did not take lead past the property line, they switched to iron pipe which 95% of the time is in worse shape than the lead piping. We urge property owner ahead of time to give them opportunity to replace their own service and there will be cases where people will have an affordability issue with it and in several cases they have put this on their water and sewer bill over a twelve month period to help them get through that period of getting it done if it turns up that it blows up once we get down there. He spoke that many times when they get down there they find nothing to hook to so there will be different scenarios on how they look at that. He stated they will obviously go after the lead services first and then follow routine service replacements as we get them adding that they probably get up to thirty cases a year just because they are blowing up in the ground.

Aldersperson Chesney asked to have a walk-through of action steps in water & sewer world asking what is next step? Do we take money out for bond or what are you looking to borrow over what period of time.

Executive Director Tom Glendenning explained he is not looking at borrowing, only time would be when we get into some huge projects. We are going to have some big projects where we are probably going to have to go after low interest, possibly bond money aka the water plant expansion or waste water plant. The point is to get self-efficient without having to pay somebody interest for it so we can have that constant general revenue stream coming in on an annual basis to supplement our utility replacement and manage the street program. He spoke of having another big question coming tonight because we have to try to get enough revenue coming in the street program in order to match what we are doing. If we are not doing that it is going to a sense of the balance. He explained he is looking at getting that few million dollars coming in every year and we are planning two to three years ahead of time. He explained he needs to be two to three years ahead of City Engineer Gallagher's program.

City Engineer Gallagher explained that the other thing we want to try to do is he doesn't like the fact that in the Phase B project we are throwing a ton of manpower out to get six miles worth of water main done right now. He explained that was the hand we were dealt and he gets that but it is much more efficient if we can do incremental two miles every year consistently because we can perform those duties almost 100% in house with no overhead to a push project out the door. He spoke of encouraging that stepped increment then his department can design better and build it in the summer without having to add additional staff and overhead to accommodate so more money goes into your projects instead of going out the door.

Executive Director Glendenning spoke of the list and the targets and stated he has 10 million dollars' worth of work sitting in front of him today. He explained going after these forced mains, possibly a new

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well, and there a lot of little things that we need to attack but at the same time we need to build a nest egg to match a replacement program. He explained that it will take a few years to build up the fund in order to get up to speed. He spoke of seeing this as moving slower than most people would think but there is plenty to do in the meantime. He spoke that another core thing we are looking at is raising the operation and maintenance rate and increasing staff. He explained we are going to be doing a lot of preventative things; he has 500 fire hydrants waiting for service, they have hydrants to replace, valves to replace and spoke that those are the things that we do in house also. He explained that is part of the program on the base fee and some of the capital improvement also so it is not just main replacement but many little things as time goes on also.

Aldersperson Chesney spoke of looking at the fee structure what consumer paying he shows roughly raised the overall fee since 2010, about six years 20%. He recognizes that the council and the administration were not asleep at wheel when it came to an effort to try to raise revenues and that this has already been done in part through the capital improvement surcharge.

Aldersperson McClanathan asked if the increase in O & M since 2007 and that hasn't changed correct. Executive Director Glendenning stated; correct. With the increase in the Capital Improvement Plan all the \$1 is allocated to projects either the Big Four or the Phase B.

Executive Director Glendenning stated the original \$4 is still in our Capital Equipment Fund and we did do a few projects with some of that but it was originally dedicated for trucks, pumps and equipment. That was the original \$4 in 2007. Then came the \$6 that came on for the Big Four and then the additional \$6; \$5 for Phase B and \$1 for energy.

Aldersperson McClanathan spoke with projects that we have, going back to the pie 70% is tied up for the next twenty years. The other 30% is that the \$4 for the vehicles and things of that nature correct. Executive Director Glendenning replied 4 and 1 yes. Aldersperson McClanathan questioned when you are talking about \$30 are you talking about \$30 of CIP or \$30 combined between CIP and O & M increases. Executive Director Glendenning replied combined between the two. He spoke the more we can put to CIP the better but will have tug of war understanding that when we get out there and start doing some preventative maintenance he will defer some of the CIP in the future also. He spoke of having some of the most excellent construction and maintenance people that can make things last a long time. They do miracles out there so I'm not so certain there when I am going to lose that veteran staff so he wants to get a good staff under their wing and get them doing that work so they can continue on with it.

Aldersperson McClanathan spoke looking at some of the resources for us obviously there is state revolving funds and in some cases low interest do we have other options going forward such as community development block grants for these improvements where they may be broader based are they eligible for these types of improvements. He asked can we access that going forward for certain neighborhoods.

Executive Director Glendenning thanked Aldersperson McClanathan for bringing this up. He explained he has an absolute target for that already. He stated in the next month or so he will be proposing a new a new Vactor truck that we need desperately as we have run the other one into the ground and there will also be a new camera truck that will have what is referred to as a lateral launch camera on there. With all this inflow infiltration that we have coming on we have designated quadrants of the City that we

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know we are taking a lot of water in and he said there are two areas right now where there are services that run four and six inches full of drainage water, storm water, flood water, drainage tile flowing into our sanitary system. He spoke that he can say specifically that there a lot of lines in these areas we should be able to access DECA funds but we have to have the information 100% before we can apply to it. He stated that if he can't put his maintenance program and data out there to justify it we won't be able to go after the money. He spoke that there is also some other funds out there, other grant funds and USDA is tough. He explained there are federal funds and they require you secure 1.5% per service, so 3% total of median income towards your rate structure. That is a higher number than he is even asking for right now and is why his rates are higher in Stillman Valley. He explained there is a new water environment fund done nationally through AWWA that is privately invested in and there may be some funds there at lower interest. He stated that our State of Illinois EPA low interest fund is going to be our number one best resource when we get to those larger projects. There is federal stimulus money there at an amazing low rate and this has going on since 1988 and it just keeps replenishing itself and will be a great source of revenue for us if we need to do a bigger project. If we do that we either need to decide if we give up a part of our annual replacement or increase the rates again to secure that so that we keep on going with our other programs. He explained that will be a tough day when we have to get to it again and it will come. He stated that all of the numbers provided tonight were extremely conservative. He spoke of studying every possible direction that we could come at this and his belief that the best way is to keep it simple based on our utility needs only and create a nice gentle thing to not shock the public too much and try to sustain water.

Aldersperson Koester spoke of the 20% increase and stated correct me if wrong, is that primarily for capital improvements that were done and really none of it was used for what we are talking about now. Executive Director Glendenning stated that is correct, all but \$1 of it is tied up for principal and interest for Phase B. We are paying off 8.5 million dollars. Aldersperson Koester then commented that his point is yes, there was a recent increase but it has nothing to do with what we are talking about now and stated he really appreciated the work done on this by Director Glendenning. He asked is this \$30 increase something that we need to initiate immediately or something we can step in over the next one or two years. Director Glendenning stated he believes this is something that needs to be done over the next few years and that we can't do that to the community. He spoke that there are a lot of faults being corrected here and spoke of not being able to facilitate that much work that fast and no reason we can't do it over time to buffer the shock and provide time for his staff to prepare the work. He spoke of being able to do the rate increases on an annual basis whether we go three with three being better than five. He spoke of that decision being one as a group as to how fast we do it. He spoke of remembering that all of our projects are laid out with another principal and that we will go after the highest lows and highest pressures on the streets so we can guarantee during this period of time so that we can sustain water supply. He spoke of the break back in January explaining that there wasn't a million dollars lost that day but it was a million dollar impact for only an hour and a half interruption. We want to avoid any possible cost that would come to the community for loss for a couple of days. These are the things we want to jump on as fast as possible and then start a thirty program, more likely a forty year program to be honest with you.

Aldersperson Koester asked if we do something about the rate structures for the bigger industries do you see that as something that could also be phased in over a period of time to ease the impact. Director Glendenning replied yes, but in fairness to everyone in the community we need to address it all at one time.

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Aldersperson Busker asked about the Consumer Price Increase and if we should be doing that sooner rather than later. Director Glendenning explained that typically would be done at beginning at every fiscal year and he would like to see this happen every May 1st .

Aldersperson Klemm asked if it has been taken into consideration the amount of demo houses and the fact that even though those people weren't likely to be paying that then spreads the amount out to the remaining residents. Director Glendenning explained that he has been looking at that and his reports reflect 270 houses that went away. He spoke that we have to be mindful of the fact that there is still service in those and there will be a break point where we have to relocate to other users if we stay at that level.

Aldersperson Klemm spoke of lead and iron pipe scenario and asked when you talk about replacing your part are you talking up to the curb boxes where it usually happens up to the shut off box. Executive Director Glendenning explained yes, we replace all from the main to the property line and put in new valves on either side and make sure we have now a new static asset there for one hundred years, we don't walk away partially, it is all brand new from that point and that is how we want to leave each one of them. He spoke that some time ago you actually had a portion of your construction crew that is all they did was to renew services. He spoke of issues in winter as it costs twice as much to get through the frost for repairs. He spoke that this is to create a proactive replacement program in known areas and doing a little bit of these every year vs waiting for a break is going to cut our costs immensely and that is why that portion is on the rate increases.

Alderman Chesney spoke of his concerns not saying there isn't a need for this but that the citizens of Freeport care about what they have in their pocket at the end of the day.

Executive Director Glendenning spoke that he can't make it any softer and that water sustainability has to be our number one focus as nothing works without water. He spoke of speaking to community and that education can and should be provided to help garner support.

City Engineer Gallagher spoke as an elected official in the town of German Valley and discussed some of the issues they are seeing. He spoke of having a two million dollar project for 180 users and if that project doesn't get done they don't have a town. He said they have grown as a community and water is just something that you expect. He spoke of having conversations with the Attorney General about this. He spoke of not getting in a position like that without a lot of back fall, misrepresentation, lack of education as you build the utility over decades. He spoke of this costing each user \$11,100 just to do improvements to be a town and that doesn't include O & M everyday services. He explained that you don't want to be in that scenario. He gets that as an elected official you never want to impose hardship on anybody and that you have to have Plan B for those that can't afford it. At the end of the day health and sanitation is what comes first. He spoke of not being able to survive without a high quality water source. He spoke of this being a priority level to have a town.

Executive Director Glendenning spoke of mentioning the Attorney General and stated he can give three incidents in state of Illinois where they got in worse scenarios than we are and you can have control taken away from you and explained if this goes outside, your costs will triple and it is necessary for us to

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keep control by being responsible with this. He spoke of what we can do internally here with City Engineer Gallagher and his crew and it is a big deal and does not happen very often.

Aldersperson Ross asked when a resident gets a new copper service to their house what is the estimate longevity of that. Executive Director Glendenning explained we are still using one hundred years and spoke that we won't be using copper but SDR9 which is a high density polyethylene pipe which has same principal as this heavy duty pipe that we are laying in the street. He spoke of seeing copper fail in so many situations so based on what they are seeing they are using SDR9 which is compatible to PVC but much tougher. He explained that curb stop is all brass with no lead in it and issues are with iron pipe.

Alderman Koester spoke of appreciating what said about rate increase and explained through no fault of anyone here he believes we are on borrowed time and agrees with Director Glendenning that we have to do something and unless somebody can come up with another idea to fix this system we don't have any choice. He spoke of his belief that people will be a lot less upset to spend more money now rather than having water system blow up a few years done the road.

Aldersperson Chesney spoke of one observation on time line stating the time line is very inconvenient being May 1, three weeks after election.

Aldersperson Ross asked what is going to the solution.

Aldersperson Chesney agrees that there is a need there and water is expected utility that we have to provide safely to people we represent. He spoke that he wants to see is to take the \$30 and put it back from a cut from another tax.

Aldersperson Klemm spoke that he believes we are getting off subject here big time and spoke that he believes that Director Glendenning and City Engineer Gallagher have provided us with quite a bit of information and believes that the time has come for them to provide a little more information and then for them to debate this issue. He spoke of attending a Chamber of Commerce dinner in Rockford a few years ago where a gentleman came in from Arizona and gave a speech that the biggest thing going for us in the Midwest is our water supply. He spoke of seeing other parts of the country fighting over water and businesses leaving to go to other states simply because they can't get the water supply, especially some of them in agriculture. Basically if we look at this there were certain administrations when this was going on the money was being put in the bank for other things. He spoke if we can expect to solve this problem and not do any more without spending money then we are kidding ourselves. It is just a matter of how we do and when we do.

Aldersperson Busker spoke of speaking with constituents about this situation and in speaking of the \$25 - \$30 increase and this being a utility that everyone is using. He spoke of the chart showing our next closest utility is cable and stated he is paying \$60 month for water and \$140 for cable and that he feels water is more important that watching TV and that is what he was hearing from constituents also. He spoke that is in the best interest to give them the water they need and deserve.

Aldersperson Koester questioned if the CPI could be put in place now however, with the budget already in place the money would go into the reserves to be used next year in the schedule. Executive Director Glendenning responded yes we can start the CPI now and explained that what he was referring to was

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May 1st for budgetary purposes and the sooner the better as we have zero dollars in reserve. We are not sitting in a reserve situation in Water & Sewer. He would like to propose a capital improvement ordinance for this and we will have to decide how many years you want to do a \$30 increase. The sooner we get the dollars here the sooner we beat the inflationary cost.

Mayor Gitz stated he agrees with the analysis of the system but does not necessarily agree with the solution. When we talk about May 1 he wants the record to show that he is not in favor of waiting until next year to start looking at how we fund this problem. He spoke of the concern that is we seek the CPI ordinance right away we risk people saying okay, we've done something so we have done enough and we haven't done enough. He explained he believes we are playing roulette and that it is up to this Council to decide what is a fair increase. He spoke that he is not suggesting it all has to come at once and he spoke of there being a lot of grants we intend to explore. He spoke of having discussions with Director Glendenning about the priority of those grants and he personally thinks that one of the most dangerous shortfalls we have is right now in the system is we have most of our resources committed to bond payments and not enough money in maintenance. He spoke of being in favor of amending the budget if there is more revenue coming in and he is in favor of making sure if we have another incident like we had in January that we have sufficient funds without worrying about meeting that contingency. The reason that this presentation was scheduled tonight and spent very good time on it is because from his point of view the only thing that rates in the same category of importance with water and sewer is the public safety of this community. He spoke that in a sense this is a part of this communities public safety. He spoke that there have been some very good points made here about tax load and about quality of life. He spoke that if we don't have a reliable water and sewer system we don't need to worry about businesses. The businesses that rely upon water as part of the process are going to abandon it. We won't have to worry about residential either, the people who don't have reliable water and sewer and we have a couple of incidents they are going to say ha and that is precisely why the people of German Valley may grumble about the volume of their water bill but they are willing to pay it as the alternative is totally unacceptable to them. He explained that he agrees there is no easy solution here, there is only bad and worse but if you look at the hand out this City stands at the lower end; small town, large town alike, and we are way down the food chain in terms of water and sewer rates and that would be a great position to be in if our water and sewer system was where it needed to be but we have an old system and other communities are in the same boat and some of them are retooling and some of them are not. The future is going to belong to those that do this the responsible way. The true issues is twofold; one - what do you do with this presentation, where is the common element for the Council to agree and then move forward. He spoke of sensing that there is agreement for example on CPI, if there is, let's go do it. Second – this is only an opening of a larger conversation that he feels we need to have to educate our constituents on what is the status of our water and sewer system and if necessary to take this to every neighborhood to lay this out. He spoke of having faith in our people that if we give them good, honest, transparent information that they will concur with making these investments. They may not like increasing the bill, none of us do but he would rather pay 30% increase on my bill now and have reliable water and sewer than having rust coming out when we are flushing the system and have pipes breaking in winter and having shut down. He spoke of seeing the confidence in the public last January that yes, they understand, yes, they want to fix it. He spoke that no one is here saying we want to wait until 2017.

Aldersperson McClanathan recommended education to every single neighborhood if necessary and to expand it and get feedback as necessary. He spoke that if there are some disagreements if we have to

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do full package or lock into CPI right now that we address the low hanging fruit first and go forward with a broader conversation on some ways to offset impact.

Aldersperson Chesney asked if we have zero dollars in reserve why didn't we have anything on this sooner. Executive Director Glendenning responded he has been busy and he stated we have been discussing this for some time and the wakeup call was January that made it more reality than anything and it takes time to put all this together and study it and he is only one person and he has been doing the best he can to put all of this together with what he was handed five years ago when he got here. He explained that he wanted to clarify he was not suggesting to wait until May 1st of next year and provided background the Consumer Price Index is usually published in March of the preceding year using the data from the preceding year so it usually takes, once that report comes out in March gives you time to act on it in April. We have 5.3% data from last year that we can act on now. The number we need is so insurmountable based on all the projects that he doesn't have any good answers. One person trying to unravel this whole 30-40 years he feels we have done a pretty good job of it.

Aldersperson Klemm spoke of one example to take a look at similar to what City Engineer Gallagher brought up is if you remember a couple of years ago at a lake up north, Northern Hill, all had a private water system had to go and get revamped he believes compliments of the state and their bills went from \$50 to \$150 so it has happened there and thinks the discussions are great and we just need to go down the line and figure the best ways to tackle that.

Executive Director Glendenning spoke that we have been evaluating for a long period of time here with GIS, GPS, Shaun and Curt and we are not quite done yet. We haven't even had the discussion about storm sewer yet. We are not done evaluating that yet and that is a whole other number to add to this, there is a whole other 95 miles of infrastructure that we haven't discussed here yet that is going to need some help. We need time. Presenting you with a CPI ordinance as soon as possible is goal number one but he spoke of needing direction on if you want to expand this out over three years, five years on incremental increase to get us up to the \$30 that will be the answer and then we will also entertain rate structure itself for commercial.

Aldersperson Koester spoke that he was going to request to have an ordinance or resolute for next meeting increasing CPI to not necessarily go through but to get the process started to discuss further.

Aldersperson Miller asked if Director Glendenning if he was looking for something from Council tonight.

Executive Director Glendenning spoke that the sooner we know what increment we need to educate at the better.

Aldersperson Koester asked if we start taking action on CPI and delay discussion to next Committee of the Whole as to how we are going to work on other rate increases is that a good time line. Director Glendenning replied yes and in that time frame he could provide some revenue projections and also the offset for the commercial as what the rate structure would be and what that would like in actual realized revenues.

Aldersperson Koester made a motion to do in that manner, seconded by Aldersperson Klemm.

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Mayor Gitz asked for clarification of motion.

Aldersperson Koester made a motion is to have an ordinance or resolution at the next Council meeting to increase the CPI and that we have discussion at the next Committee of the Whole meeting as to what if any other rate increases we are going to onboard.

Mayor Gitz explained for the record that this would be an ordinance.

Aldersperson McClanathan asked when you say raise the CPI you mean tag the usage rate to CPI. Director Glendenning explained the usage rate would increase by the Consumer Price Index on an annual basis according to the Bureau of Labor Statistics and you will be able to see it when you read your packet. He explained that will not be just this year but every year.

Aldersperson Miller asked if we have a motion for increase of the usage rate, is that what we are saying? Director Glendenning clarified the Consumer Price Index for the usage rate.

Motion prevailed by a roll call vote of:

Yeas: Klemm, McClanathan, Ross, Miller, Busker, Koester

Nays: Chesney

PRESENTATION BY CITY ENGINEER REGARDING UPDATE ON MOTOR FUEL TAX (MFT) STREET PROGRAM OPTIONS FOR FUTURE YEARS

City Engineer Shaun Gallagher provided a Power Point presentation and explained this was a modification of what he presented in 2014 and explained he wanted to provide to our current Council a quick overview and summary so that information is available for their own knowledge. Our program currently is running a crack sealing program and it is specifically designed for newer streets to prevent deterioration in the early stages talking anywhere from 3 – 8 years when we get out crack sealing. Micro surfacing which he explained was recently done on McKinley and American Street, basically industrial strength driveway sealer. If you seal your driveway, anyone that has an asphalt drive we are kind of trying to do the same things with roads. We are trying to prevent potholing, over the long term life this costs 1/10 of the price of Mill and Overlay so we are trying to provide some longevity and cost effective measures. Our bread and butter in Freeport is our Mill and Overlay program. This is a pavement maintenance technique because it is not new construction. Once we got higher oil prices at the end of the 90's and 2000's a lot of municipalities switched to Mill and Overlay vs reconstruction mostly due to cost. You see a lot of patches on the older Mill and Overlay programs and that is because before he came here we used to allow contractors to vibrate our streets and given Tom's presentation we don't want to vibrate our streets. He spoke that before he started the prior year's Mill and Overlay programs had been seven water main breaks on six different routes and he explained that since they started this they have not had any water main breaks on any of the routes they have done resurfacing on with the exception of a recent service issue on Logan Street that required a cover on newer asphalt. He explained that this particular program is what we get calls on for the most part and is not recommended for every application. He spoke of there being ways to waste money doing Mill and Overlay programs which is really the rest of this conversation. Finally we have reconstruction. This is the pod of costs that we don't have as Alderman McClanathan asked previously of \$175,000 per City block, 600 feet is a City block and City of Freeport ranges from about 400 feet to 800 feet so 600 feet is

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average for us. \$250,000 for those utilities if we were replace them at that time so my 60/40 split mentioned earlier is actually 41/59. He explained the street statistics is probably the most important part of the presentation. He explained the current funding when he started here was basically a 95 year life cycle which means a street that we just did we would see it again in 95 years. It means you have to do the rest of the streets in town before you can come back. A cost effective program realistically with the materials we are talking about shouldn't exceed 50 years. He explained concrete life expectancy is 50 years; asphalt is 20 – 30 years depending on conditions underneath it. To have a near 100 year life expectancy program is not uncommon in State of Illinois. Currently this buyback in 2013 is almost an estimate and pretty much right on. We have crack sealed 23% of the City and at that time we estimated 20% of the City could be crack sealed. We have the other phase that is about 20% that was a little bit further gone and are eligible for micro surfacing and then we have 40% which is Mill and Overlay quality it is beyond minor surface improvements with maybe some sewer patches here and there and sometimes we will do curb improvements with that. The boat anchor of the pie that we currently have no money for is the reconstruction and currently 10% of the City is at the point of reconstruction where Mill and Overlay while it could be used would fail with significant speed where it would mostly be a waste of money. In 2013 we covered about 6.5% of the City and we spent about \$30,000 in outsourced engineering expenses. He explained that was his first year trying to learn and figure out all these programs and we did a significant amount of outsourcing. Fast forward to this year and notice in the breakouts and note that the engineering and inspection has been 100% absorbed and done all in house. Only thing done outside of these walls is testing for concrete or asphalt. He spoke that ironically the difference is what he was paid then and what he is paid now showing that what he is being paid to do is getting done. Currently we covered roughly 74 City blocks or 7.2% of the City and doesn't include the patch program so probably closer to 8% or 9% so just in three years we will get even more out of this program from when he started and he would like to get closer to 10% so in ten years we will have come back with some sort of improvement on every single route in the City meaning crack sealing, micro surfacing, reconstruction and mill and overlays. The point of a lot of that efficiency that is shown is we have been able to go in 3 years from 6.5% to 8% and then if you add the patch program it is efficient bidding. We are bidding stuff instead of August we are bidding in April, May and we are combining with other taxing bodies to take advantage of those programs and have mobilized less mobilization in our program so doing several blocks in the same area. If he can reconstruct and all the pavement is on the same length. Back in the day we used to pick every ward got a street with one block which means the mobilization for every program from that point forward is all split up. He spoke that you are going to come back and plow routes are going to be different because they are going to see one block is good and the next block is falling apart and that means Tom's guys have to go cold patch spots in the City rather than being able to say here are the hot spots of the old infrastructure and we can focus on those first and work our way up. This compounds cost and efficiency in the Public Works department. We need to try to have the improvements stay as localized as possible so that is why you saw Harlem Avenue get completed, Wise, Mernitz get completed all at the same time to make sure that we have the ability that those are on the same length and the same life expectancy moving forward. He spoke that we never took a lot of time to review that in the past. Your 2013 budget was \$735,000 and the chart showed how it was prorated. The 2016 budget most specifically being efficient within your program the life went from 95 down to 90. It went down 5 years and he feels that every little bit helps and is being efficient with the money we are currently spending. He spoke of the revenues being down about \$70,000 so not only are we doing more, we are doing more with less because motor fuel as we all know is a fixed formula and doesn't matter what the cost of gas is we get the same 19 cents. So until this gets changed at the state level that is the funding source we have so it only based on fuel consumption which

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is a very upside down philosophy in the modern era of going green and being efficient. He spoke of what it would take to bring our infrastructure back to a sustainable rate; he is looking at anywhere from 15 to 16 years so 55 is basically if you doubled the current program so you would go from about \$600,000 that we receive now in motor fuel tax so if you doubled it you get yourself close to a 55 year life expectancy. We have the materials to get us to a 60 year life for those streets so that would be the sustainable program he would wish to achieve given a budget threshold of \$1.2 million dollar per year. He spoke that it really doesn't change the micro surfacing, patch program or crack sealing program and that this is a theoretical average and that is why crack sealing is \$10,000 a year. We have caught up and that is probably going to a once every three year program because we are just not doing enough new pavement to constitute bringing somebody in to crack seal and stated that may be something we do ourselves in the future. So the biggest pie once you jump \$600,000 goes into reconstruction; \$350,000 and that is enough to do two maybe three blocks of City streets per year with full reconstruction of the sidewalks. He stated there was a little more added to the mill and overlay program to catch up. There is a significant amount of deterioration when you have been funded at 50% for a decade. He spoke of having some water and sewer grants over the last four years that have picked up those four City blocks and explained we have been really been doing this program for the past four years. The funding gap is the reconstruction and one of the things he argues is the use of TIF assets, when you look at the size of the municipality and you have \$640,000 to spend equals an incredible amount of construction work you can do with \$640,000 and provided some examples in trying to be attentive to every location. He explained this ironically came out to \$6,435,000 of reconstruction in additional TIF projects that he feels are nearing the priority based on the assets near them or deterioration. That \$640,000 is what we spend in the next ten years if we only did that with our current funding. The funding gap is 10% and what he has done is try to save the other 90% and we have let those go. There is no money without additional revenue and the alternative is not do any of the projects and only do the list. He spoke of the biggest disadvantage in Illinois being that a lot of municipalities have only had MFT funding for years and years so realizing that their infrastructure is not what it was they have been forced to take matters into their own hands and what that does is they compete with one another now. They add a gas tax or they add a sales tax so now we all compete where if it was a state driven or national infrastructure increase we would all be on the same playing field where no matter where you went you would all pay the same. The state gas tax has not been changed since 1992 and does not envision it happening in the next couple of years and overall MFT has flat lined. He stated that ultimately what his presentation was about was to show that we do not have reconstruction money and it is not recommended to pull and complete the other list while we let the other 80 – 90% of the City of Freeport continue to deteriorate. He explained that was somewhat of a blend of this in the past and that the reconstruction money burned up too much of where we weren't doing enough of all of the other areas to contain this. He explained that the funding cap means that \$650,000 is what we are short. We talked about a quarter cent sales tax that is \$600,000. He spoke of looking at this more towards a user tax if this is a revenue source because the revenue you are trying to achieve is \$1.00 per week for everybody that lives in the City of Freeport between 18 and 65 years of age. He explained that unlike Tom's program which is priority based on health, life and safety this might be considered more of a luxury. How much and what is the level of service you want from your roadway infrastructure. He spoke that one could argue that the money is simply absorbed in the improvement meaning you get it back 100% more with your citizens. He spoke that your efficiency in your transportation community can almost absorb the increases. He provided some examples of areas within the City that he felt should be targeted over the next 10 years. He spoke that he feels this is a referendum issue; whether or not the citizens of Freeport feel their roadways are adequate enough or whether or not they want more. He spoke of believing in 100% transparency and

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feels it is best to tell people how money is being spent. The good news when you talk about \$600,000 increase; 95% of it will go back into your infrastructure and that only when you talk about some of the bigger streets will we need to go to outside consulting. He spoke of not needing additional equipment or resources and that almost 100% will be going to infrastructure and that only about 5% would go into engineering. He spoke that typically when you have a referendum there is a sunset clause in the first round because if he is not doing a good job and if this program is not what you want then you can quit the program and he spoke of the need for accountability when it comes to every dollar because our infrastructure is too important to waste. He explained that one of his concerns is having him in the field and making \$1,000 to \$5,000 an hour decisions meaning any given day probably making \$20,000 worth of decisions of things pro, things against and things we should change within our plans to make them more cost effective. He spoke that what he has run into in Water and Sewer is that everything that everyone is going to notice is the stuff on top, what we are putting back, dealing with individual homeowners, this is what I get for my taxes. He spoke of trying not to build ourselves into something we have to reconstruct later to be cost effective for the future. He spoke that one of the biggest expenses is Water and Sewer because you can't just stop, you have to continue on and you have to transition and it adds up over time. He spoke that the two things that are not in his presentation are the Federal program; we get \$212,000 in credit from Federal government to pay for Harlem Avenue, Stephenson Street portion of Lincoln which is revenue but he spoke that he also did not show bridges which is the expense and those two pretty much offset each other. One is a benefit and one is an expense.

Aldersperson Chesney spoke that one of the mistakes that has been made in the past is if we are going to go to a new program that we haven't gone to the voters. He spoke that not everyone is anti-tax that you have make your case and that the challenge is that historically what has been done is put in place a program and then do a teaser; a sunset clause and we all know they never sunset they just get reauthorized and we forget that we did it and now it is a tax we live with. He spoke that his question is if we want to change the policy and make the case has he done any research on what action council needs to take to bring to conclusion. City Engineer Gallagher spoke of looking at other communities and the referendums that they have passed and what they have brought forth given city sales tax vs other taxes he would probably lean towards a gas tax that would mean in your gas tax 5 cents. He spoke of the difficulty of gas tax is a) it is user based and you can drive to next community to pump somewhere else so there is downside to revenue based only on fuel consumption. He spoke that there has been talk that the State of Illinois would increase or change procedure for how gas tax is calculated and stated that it really needs to percentage basis so when fuel goes up typically oil is up as well and that is what goes into 90% of your road products. He spoke that basically we are having to make changes locally and that unlike Tom's this can wait. He spoke that you will have potholes, there will be accidents but ultimately the town still survives and really depends on the level of service you want to provide to your constituents.

Aldersperson Chesney posed the question to Mayor Gitz regarding the referendum process and asked if he could explain the process to the council if they decide to bring this forward.

Mayor Gitz explained the most logical way is to determine a) what's the funding source is and b) what's the wording on the ballot and it has to be clear and you can only ask one question. You could actually put on November ballot. He stated that he would get the deadline to submit information and thinks it is sometime in August.

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Aldersperson Koester asked since we believe August is the date to get the referendum on there could we possibly put this on next council meeting as a discussion so if we want to move forward with this referendum we have time to do so. Mayor Gitz replied yes, we are setting the agenda tomorrow. Aldersperson Chesney seconded.

Aldersperson Ross explained his agreement and he spoke that he is constantly getting asked about the streets in the 3rd Ward and this would be one way of getting something done.

Aldersperson McClanathan asked what is the general percentage of consumption tax; would it go up 1 cent, 2 cents, 3 cents?

City Engineer Gallagher spoke that he had not researched any other municipalities except that when they are raised then the neighboring ones raise also as they do not want to lose out on the benefit for utilizing the same services.

Mayor Gitz spoke that he would be happy to have our staff do some preliminaries and explained that most of the municipalities that he has observed are focusing on an increment of the sales tax. He spoke that he is unaware of anyone who has done gas tax. He spoke that the sums that he and Shaun had talked about for gas tax are fairly substantial; when you start talking about a nickel on top of two cents now it is substantial increase and you will have push back. He stated there has been precedent for using property tax that was done primarily by our sister to the east in Rockford and their program years ago was based upon; here's the streets, and if you approve this referendum increase, here is what we are going to do with it and for a long time they had annual increases. He spoke that about eight years ago one of those referendums crashed and burned and they started rethinking their program and went to sales tax. So the three he is aware of are sales tax, gas tax and property tax.

Aldersperson McClanathan spoke looking at sheet at TIF in mill and overlays there are a few in the Meadows and Rosentiel and thinks those are part of the four there that you might have some flexibility with. He spoke that he didn't recall doing a specific spending plan as it pertains to the TIF and stated we specifically talked about continuous funding and things of that nature. He asked if this is something that we have the option of taking some action on this year if we wanted to.

Mayor Gitz spoke of being precedent for using funds on that and in fact the segment on West Street going over to Burchard was done that way and he personally thinks if we can program this properly that we ought to consider that because some of those roadways are used for commercial and industrial purposes and they are not in very good shape and there is not going to a way for us to use this in any other way so he explained that this will be a matter of itemizing all of the different possibilities for funding, which we are presently doing and to bring forward program of allocating some suggestions for your approval.

City Engineer Gallagher spoke that a lot of those are key ones in TIF's and tends to be similar to our Federal projects and that it is the Federal money like he was envisioning the TIF money that brings it up a notch so a street that doesn't have curb and gutter rather than just do the mill and overlay he spoke of using Federal money to add curb and gutter and storm improvements so the ones that are in the TIF he has never really looked at it as fully funded by the TIF as improvement but given the opportunity take Meadows Drive for example, that pavement is so wide you could put a boulevard down it and do some

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landscape planning or do something more to it encourage the overall beauty of the area with your TIF dollars.

Aldersperson Koester recapped his motion to put the topic of tax referendum for this program on the agenda for the next meeting for discussion and possible action, seconded by Aldersperson Chesney.

Aldersperson Klemm asked for clarification if that should be put on as what would be the source rather than just a referendum so that way you could get the gas presentations together in order to start not just limiting to the referendum.

Aldersperson Koester stated to change that to put that in to add the information for the funding sources.

Aldersperson Miller stated motion will be laid over to put this to next council meeting. Motion prevailed by a voice vote without dissent.

UPDATE OF ALBUM STREET CORRIDOR SITES ENVIRONMENTAL REMEDIATION (PRESENTED BY COMMUNITY DEVELOPMENT DIRECTOR)

Community Development Director Alex Mills presented a brief overview regarding the Album Street Corridor remediation.

PURPOSE

The purpose of this Action Memorandum is to document the City of Freeport's approval of the proposed environmental remediation including soil source removal and enhanced reductive dechlorination at the former metal plating sites located in block 8 of Lichtenberger's Addition to the City of Freeport, which is bound by Jackson Street to the north, Hooker Avenue to the east, Album Street to the south, and Hancock Avenue to the west. The City of Freeport and its remediation contractor(s) will conduct a non-time critical removal action to remediate soils and groundwater on the property. A combined Remedial Objectives Report/Remedial Action Plan (ROR/RAP), prepared by Fehr Graham and approved by the Illinois Environmental Protection Agency (IEPA), describes the proposed remediation activities in detail.

Three (3) United States Environmental Protection Agency (USEPA) Brownfield Cleanup Grants will fund this remediation project, matched by local dollars committed by the City of Freeport. The City is acting as the Lead Agency for the remedial activities at this site, which will commence once the USEPA has granted its approval.

The former plating site is currently a brownfield site owned by the City. Future site plans include open space and recreational trail usage. Environmental remediation efforts to address contaminants from previous site uses are necessary under the Illinois Environmental Protection Agency (IEPA) Site Remediation Program (SRP) in order to prepare the site for reuse.

Role of State and Local Authorities

The sites were originally identified as part of a neighborhood wide Phase I Environmental Site Assessment – funded by USEPA Brownfields Assessment Funds - that identified 39 sites in the East Side neighborhood in the Third Ward of the City of Freeport in 2004. This site was given high priority for assessment work based on citizen input. As a result, the City requested that the Illinois Environmental Protection (IEPA) Office of Site Evaluation conduct soil and groundwater sampling along the City right-

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of-way in 2006 at a time when the City no longer had any assessment grant funding available. In 2007, the City was awarded additional USEPA brownfields assessment grant funds. Additional investigative activities were conducted and the site was subsequently enrolled into the Illinois Environmental Protection Agency (IEPA) Site Remediation Program.

Project Schedule

TASK	DATE
Action Memorandum Submitted and Approved	May 2016
Commence Cleanup	July 11, 2016
Confirmation Sampling	August 2016
Complete Cleanup Activity	August 2016
Finalize SRP Process	September 2016

DECISION TO PROCEED

The City of Freeport has considered all the factors presented in this Action Memorandum and has decided to proceed with the remediation activities necessary to redevelop the site using available USEPA Brownfields Cleanup Grant funds.

Council was provided the opportunity to ask questions.

DISCUSSION OF AMENDING THE COMMITTEE OF THE WHOLE STRUCTURE TO FORM COMMITTEES

(This item was requested by Alderperson Busker and forwarded from the Committee of the Whole held on May 9, 2016)

Alderperson Busker spoke of still working on the presentation material for this and requesting to move this to the August Committee of the Whole and that it will be ready for presentation by then.

Alderperson Klemm spoke that he doesn't feel we need a lot of information on this and stated he would be comfortable talking about this at any time and stated that he has been the person against this but we can surely discuss the pros and cons to each side.

PUBLIC COMMENTS – AGENDA OR NON-AGENDA ITEMS (LIMITED TO 3 MINUTES PER PERSON)

Colton Havens, 617 E. Shawnee – He spoke of the anti-mayoral signs around town and would like to request they be removed. He recommended the people directly responsible come to City Hall and address your concerns. He spoke that this is an ineffective method for real change.

Dean Wright, 341 S. Main, Pearl City, Illinois commented back in December when we passed the FY 2016 TIF expenditure plan there was a \$10,000 line item for a yet to be defined ADA grant. He spoke that he doesn't think that grant program has been created and wants encourage creating sooner than later. Business owners have expressed interest in making downtown areas more accessible for persons with disabilities. He volunteered to help to move this ADA accessibility grant forward.

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ADJOURNMENT

Upon a motion duly made by Alderperson Koester and seconded by Alderperson Chesney, the Committee of the Whole meeting adjourned at 8:45 p.m.

s/ Diane Kahly

Diane Kahly
Deputy City Clerk