



City Council

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

MINUTES

COMMITTEE OF THE WHOLE MEETING MONDAY, NOVEMBER 13, 2017 AT 6:00 P.M.

CALL TO ORDER

The regular Committee of the Whole meeting of the Freeport, Illinois, City Council was called to order in council chambers by Mayor Jodi Miller with a quorum being present at 6:00 p.m. on Monday, November 13, 2017.

ROLL CALL

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

Staff members present: City Manager Lowell Crow, Finance Director Randy Bukas, Director of Community & Economic Development Nancy McDonald, Director of Streets Tom Dole, Fire Chief Scott Miller, Chief of Police Todd Barkalow, Treasurer Linda Buss, and City Clerk Dovie Anderson.

Others Present: City Legal Counsel Aaron Szeto, Esq.

PLEDGE OF ALLEGIANCE

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

APPROVAL OF AGENDA

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

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF MINUTES

Alderperson Brashaw moved for approval of the minutes from the regular Committee of the Whole meeting held on October 10, 2017, seconded by Alderperson Busker. Motion prevailed by voice vote without dissent.

ITEM #7 - Presentation regarding Transportation Improvement Program (TIPs) at Freeport-Albertus Airport

[View Document](#)

Mr. Aaron Johnson with Crawford, Murphy & Tilly (CMT), stated that they recently did an update of the Transportation Improvement Program (TIPs) at the Airport based on the Federal Aviation Agency (FAA) priorities. There are currently two (2) projects having priority. One is the vault which would involve upgrading the existing electrical cabinet into a pre-fab building to house new electrical equipment to run the airfield. The local share will be \$27,040 with a total cost of \$540,800. The other project identified for the 2018 program was the first phase of the security fencing improvements at a cost of \$207,000 of which the local share will be \$10,350. The "Preliminary Program for City Council Review" spreadsheet (link to "View Document") shows the division of how federal, entitlement, state, and local monies are divided. The Airport receives a disbursement of \$150,000 entitlement funds annually to go towards these improvements. The discretionary column is FAA money which is

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given to the State and the State, in turn, prioritizes how the projects get funded. On a discretionary funded project, it is ninety percent (90%) federal, five percent (5%) state, and five percent (5%) city.

Manager Crow stated that he, Airport Commission Chairperson Craig Joesten, and Finance Director Randy Bukas met with CMT to prioritize the program list. They identified one priority as the lack of a security fence. The electric vault was already programmed in. Manager Crow attended the TIPs conference in Springfield with Airport Manager Darrell Janssen. Additional priority items were identified including the fuel farm and federal reimbursement for corporate hangers in 2019. The fencing is a requirement and will be done in four (4) phases. There is currently free access in and out of the airport. Secure fencing is common practice around airports. It also delineates the boundaries for farming. Attorney Steve Cox and Manager Crow are working on leases with farmers. A formal decision on funding the new road is required by June/July 2018. Mr. Joesten and Airport Manager Janssen will give a presentation at the December COW to justify the expenditure of \$110,000 of City funds for new road construction. The new road was initially on the Program spreadsheet but has been removed.

Manager Crow stated that this item will be on the next agenda and no recommendation was required at that time.

ITEM #8 - Presentation of Chicago Avenue Streetscaping Plan [View Presentation](#)

Andrea Winter with Winter Design, Inc. gave a presentation on a streetscaping plan for Chicago Avenue from Clark Street south to Washington Street. She explained the multimodel cross-section of the street including 12 foot sidewalks, 6 foot bike lanes on each side, 11 foot vehicle lanes with north/south traffic flow, and 8 foot parking lane on the east side of Chicago. Street furnishings include way-finding signage posts, benches, trash receptacles, bike parking, clearly delineated crosswalks and curb extensions (bulb outs). Ms. Winter also presented ideas for sculpture and murals. She stated that a uniform and consistent streetscape, embellished with art installations and murals will strengthen the avenue's identity as a cultural corridor.

Discussion ensued that the streetscaping plan is a precursor to the Capital Improvement Plan. It provides a vision for when street/water/sewer improvements are made, this is how the street will be restored. It will serve as a model for street reconstruction in downtown and provides focus for informed decision making. There are not prices attached at this point and civil engineering would need to be done prior to construction to assure such things as ADA compliance, vehicle turning radiuses, etc.

Aldersperson Chesney made a motion to move this matter to the December 4, 2017, Council meeting, for approval, Aldersperson Smith seconded. Motion prevailed by voice vote without dissent.

ITEM #9 - Presentation of Draft of Strategic Plan [View Presentation](#) [View Vision & Goals](#) [View Condensed Version](#)

Eric Dregne with Next Level stated that there were two teams that met to give input into developing Vision and Mission Statements for the City as well as a Strategic Plan. Department managers, community stakeholders, and City Manager were part of the first step and the Mayor, City Manager, and Council comprised the second group.

The proposed 2030 Vision Statement is:

Freeport is a destination of choice. Our innovative city, entrepreneurial economy, and vibrant-safe neighborhoods support an abundance of educational, cultural and outdoor experiences for residents and visitors. Our community is connected, accessible and welcoming.

The proposed 2030 Mission Statement is:

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The City of Freeport is an engaged partner that helps foster entrepreneurship and a vibrant city by providing efficient modern services to our community, and opportunities for growth for all.

Mr. Dregne stated that the Strategic Vision has five priority areas: (1) connected and accessible community, (2) diverse and engaged citizens, (3) premiere education, arts & culture, (4) responsive, efficient government and public/private partnerships, and thriving entrepreneurial economy built on our makers heritage. It will be the City's guide to help shape the work of the City, both internally for staff and externally to address the community's needs. The framework guides all plans that are being created within City departments, setting the direction for implementation. The City Manager and his team carry out day-to-day operations and the policies established by the Council.

Policy Agenda items are issues that need direction or a policy decision by the Mayor and City Council, need a major funding decision by the Mayor and City Council, or that need Mayor and City Council leadership in the community or with other government bodies. The Policy Agenda includes:

- Effective Land-use Strategy
- Explore Arts/Culture Commission
- Flood Mitigation Plan
- Integrated Capital Improvement Plan (approval)
- Streamline Policy to Grow Economy
- Strengthen Economic Development Partnerships

Management Agenda items are issues for which the Mayor and City Council has set the overall direction and provided initial funding, may require further City Council action or funding, or are major management projects that may take multiple years to implement. The Management Agenda for 2018-2020 includes:

- 2020 Census Impact Study
- Communication Plan
- Complete Bike Paths
- Demolition / Blight Reduction Initiative
- Integrated Capital Improvement Plan
- Streetscape
- Water/Sewer Improvements
- Fiber Network
- Safety Task Force

Aldersperson Klemm stated that a constituent pointed out that senior citizens were not included, Aldersperson Chesney added that small manufacturing was not either, and Manager Crow had received comments from community stakeholders that consolidation of economic development partners was not listed. Mr. Dregne stated that comments in previous discussion groups included a general consensus to leave our goals broad and non-specific so as not to exclude anyone. Mr. Dregne pointed out that "thriving entrepreneurial section" includes small manufacturers, "diverse and engaged citizens" include people of various ethnicities and multi-generational citizens, and "public/private partnerships" could include economic development partners.

No recommendation was required and this item will go before the December 4, 2017, Council meeting for approval.

ITEM #10 – Discussion of Proposed Tax Levy

Manager Crow and Finance Director Bukas gave a PowerPoint presentation of the Tax Levy/Fire and Police Pension discussion. City Treasurer Linda Buss was available for questions and comments. The library is

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recommended to levy same amount as last year. Currently, Fire Pensions are funded at seventy-seven percent (77%) and Police Pensions at fifty-one percent (51%). This is what was levied in 2016 and 2017. Money has also been removed from Personal Property Replacement Tax to adjust for the State holding twenty-four percent (24%). Even if we maintain the same level, we will have to determine where that funding will come from to make up the difference.

Issues the City is facing include: decrease in disbursement of Personal Property Replacement Tax by the State; State's increased requirement of eight percent (8%) for minimum funding; with Police and Fire Pensions, there is more money going out than coming in; growth in funds this year due to record stock market may not be realized next year; Equalized Assessed Valuation (EAV) which was reduced by \$35 million since 2010 has begun to hold steady; increased pressure on Corporate Funds (including demolition of Old City Hall, increase in Police staffing, and more demand on road work); and savings identified this year will not be realized until a year after the change is implemented (including decrease in property insurance beginning December 1, 2017, and decrease in health insurance beginning January 1, 2018).

There are three (3) funding options:

1. Fund at Minimum Level Required by State

We have a required increase in contributions to the Firefighters' Fund, we are receiving pressure from a decrease in Personal Property Replacement Tax, and there are a couple of funding options. One option is funding by levy. If funded from the levy, there would be an \$11.00 increase on homes with an EAV of \$100,000. This is not his recommendation. The other funding option is from Corporate (covered later under #3)

2. Fund at Actuary Requested Level

This is not an affordable option to the City. Our actuary is requesting that we increase our contributions to the Firefighter's pension by \$708,918 and Police pension by \$734,956. Police funding is at fifty-one (51%) and the police force is much younger. The Fire Department has about 6 firefighters that are over the age of 60 who will be retiring soon putting pressure on the Firefighters' Pension. The actuary's recommendation is based upon a one hundred percent (100%) level of funding. If taken from the Corporate Fund, the City would have to lay off or greatly reduce services to cover the amount of \$1.4 million and we do not have the ability to do that.

3. Fund at Level Keeping Pace with Disbursements

Pay from employees intended for Police and Fire pensions would be put into investments to increase the account balance. Other communities have used this strategy to stop accounts from decreasing and begin to increase funding. Funding Fire and Police Pensions is an issue across all communities. If \$664,688 were placed against Corporate Funds without new revenue, the City would need to reduce services in next year's budget. Manager Crow is not proposing to increase property tax but to look at other revenue sources. The Illinois Municipal League (IML) and Illinois City County Management Association (ILCMA) are recommending Home Rule communities raise sales tax to cover the costs of pensions. He realizes it is not the wishes of Council to raise sales tax, but points it out as a recommendation of professional organizations and three (3) Illinois municipalities have already done so.

Moving forward, the City needs to determine levy amounts that the Council is comfortable with. The levies will be proposed at the next Council meeting and approved the first meeting in December. We need to also determine how to fund the additional \$90,000, whether from the Corporate Fund or some other means.

In conclusion, the City does not want to increase property tax. However, one issue is that the Police Pension is funded at fifty-one percent (51%). If the funding drops below a certain percentage, the State Comptroller issues a letter to the City stating that we either raise our tax levies or they will withhold Local Government Distribute Fund

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(LGDF) monies from us to pay the Fire and Police pensions. There will be savings realized throughout the year that can be applied to these costs and we will be looking for more areas of cost savings. Manager Crow is looking for direction from Council on how to fund this: either from the General Fund as we did last year, look at other funding options, or increase the tax levy.

Aldersperson Koester asked and Finance Director Bukas confirmed that the current funding coming from the General Fund is approximately \$234,000. Manager Crow stated that we would be taking an additional \$90,000 on top of that. This amount is the equivalent of about fifteen (15) demolitions or (10) blocks of road. A one-quarter percent (1/4%) increase in sales tax would raise about \$600,000 per year.

Aldersperson Smith stated that he will recuse himself from making a decision on this matter as he directly benefits from the pensions.

Aldersperson Chesney asked and Manager Crow confirmed that the City is anticipating an increase of \$400,000 from EAV. Manager Crow added that the \$400,000 increase will offset the loss from Personal Property Replacement Taxes

Aldersperson Chesney asked and Manager Crow confirmed that with the firefighter retirees, we should be able to hire new recruits at lesser pay helping with the offset. Manager Crow added that it would also depend upon when each of the six individuals retire. If it is not within the next year, it will not provide an offset for this year.

Aldersperson McClanathan stated that he would prefer to fund the \$90,000 increase from the General Fund for this year. He is encouraged that the EAV seems to be stabilizing. His concern is that, down the road, if the EAV does not stay where it is or decreases again, we may not be able to sustain the Fire and Police pensions from the General Fund. Manager Crow concurred that if we continue, the General Fund will become a "black hole" and we will not be able to fund any other services.

Aldersperson Koester stated that he will also not be voting on this matter, but asked Attorney Szeto if he was able to discuss it. Attorney Szeto confirmed he could speak from the podium with a three-minute maximum.

Treasurer Buss stated that both funds are allowed to have sixty-five percent (65%) in the equity market and thirty-five percent (35%) has to be in fixed income. Manager Crow stated that fixed income is one of the reasons our return is being driven down because typically returns are two to four percent (2%-4%).

Aldersperson McClanathan made a motion to recommend continuing to finance the Firefighters' and Police Pension Funds from the Corporate Fund without raising the tax levy. Aldersperson Chesney seconded and the motion prevailed by roll call vote of:

Yeas: Klemm, McClanathan, Ross, Busker, Chesney (5)

Nays: None

Abstain: Smith, Brashaw, Koester (3)

PUBLIC COMMENTS – AGENDA OR NON-AGENDA ITEMS

Tom Teich stated that a crane was installing an air conditioner on the new Casey's building.

Upon a motion duly made and seconded, the meeting adjourned at 8:29 pm.

s/ Dovie L. Anderson

Dovie L. Anderson, City Clerk