



City Council

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

MINUTES REGULAR MEETING Tuesday, January 20, 2015

CALL TO ORDER

The regular meeting of the Freeport, Illinois, City Council was called to order in council chambers by Mayor James L. Gitz with a quorum being present at 6:00 p.m. on January 20, 2015.

ROLL CALL

Present on roll call: Mayor Gitz and council members Tom Klemm, Shawn Boldt, Jennie DeVine, Dennis Endress, Sally Brashaw, Michael Koester and Andrew Crutchfield (7). Alderperson Ronnie Bush was absent. Corporation Counsel Sarah Griffin was present.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Alderperson Klemm.

APPROVAL OF AGENDA

Mayor Gitz requested prior to approval of the agenda to provide an introduction of a promotion in the police department during the time when the new firefighter is introduced. Alderperson Koester moved for approval of the agenda with the amendment, seconded by Alderperson Endress. Motion prevailed by voice vote without dissent.

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Alderperson DeVine moved for approval of January 20, 2015 minutes, seconded by Alderperson Koester. Motion prevailed by voice vote without dissent.

PUBLIC COMMENTS – AGENDA ITEMS

Brian Borger, 1828 W. Canyon Drive, Freeport Illinois, spoke in regard to the resolution on the City's economic development goals. He spoke on behalf of FDDF and requested additional time before its passage by council to allow for conversations with the entities involved in the formation of goals, expectations, measurements and the opportunity to obtain funding for 2015. The resolution as provided includes two additional entities in the economic development initiatives including the City of Freeport and a retail consultant but does not include additional funds. He understands the pieces of the pie are cut smaller as you add more people to the table. It is the desire of FDDF to work hand-in-hand with the City in their economic development goals.

Connie Sorn, 107 E. Pershing, Freeport Illinois, spoke in regard to the resolution on the City's economic development goals. As director of the Stephenson County/City of Freeport Convention and Visitors bureau she spoke about her concerns of the 2015 economic development goals prior to review by the

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CVB and its board. She requested additional time for the CVB to first review the goals and then to provide their input through communication with the administration.

INTRODUCTION OF OFFICER IN FIRE AND POLICE DEPARTMENT

Scott Miller, Fire Chief introduced a newly hired firefighter in the Freeport Fire Department. Christopher Brennan was sworn in December 15, 2014, as a firefighter/paramedic and Chief Miller provided a summary of his background and experience.

Todd Barkalow, Chief of Police introduced a recent promotion in the Freeport Police Department. Officer Kurt Schnoor was promoted to the rank of corporal. Chief Barkalow stated Officer Schnoor was sworn in August 30, 1999 and has served in the patrol division and will be assigned to shift four.

PRESENTATION OF AUDITED FINANCIAL REPORT FOR FISCAL YEAR 2013-2014 FOR THE CITY OF FREEPORT, ILLINOIS

A representative from Lauterbach and Amen, LLP, Certified Public Accountants was present to review the Audited Financial Report for Fiscal Year 2013-2014 for the City of Freeport, Illinois. Finance Director Cynthia Haggard introduced Matt Beran as manager for the audit. The council members were provided a copy of the City of Freeport Annual Finance Report for the Fiscal Year ended April 30, 2014. He asked council to refer to the document as he provided a summary of the document. Lauterbach & Amen, LLP provided an independent auditor's report which contained their opinion and they provided to the City an unmodified opinion which means that the financial statements are free of material misstatement. He stated that means that the numbers in the financial audit are what they are supposed to be. Mr. Beran reviewed the management discussion and analysis section. This section stated:

- The City of Freeport's net position decreased as a result of this year's operations. Net position of the governmental activities increased by \$124,127 or 1.2 percent, while net position of business-type activities decreased by \$162,125, or less than one percent.
- During the year, government-wide revenues for the primary government totaled \$35,176,809 while expenses totaled \$35,214,807, resulting in a decrease net position of \$37,998.
- The City's net position totaled \$40,274,768 on April 30, 2014, which includes \$40,288,262 net investment in capital assets, \$5,855,095 subject to external restrictions, and (\$5,868,589) unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a deficit this year of \$241,218 resulting in ending fund balance of \$5,539,396 a decrease of 4.2 percent.

Mr. Beran reviewed with the council the government-wide financial pictures and specifically pointed out figures on page four (Statement of Net Position) and page five noting that it is a summary of all the funds combined together for the City. They are on a full accrual basis. This means it has the capital assets and debt on the books. He stated when Cynthia Haggard provides the monthly financial statement those are on a modified accrual basis on the fund level. There are two different types on these statements the governmental activities (general fund, special revenue, debt service and capital project funds combined together) and the business type activities (including enterprise funds, i.e. water/sewer, storm water,

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landfill). He noted on the top of page four for cash, it shows \$6 million in cash for the governmental fund and about \$4 million between cash and restricted cash for the business-type.

Mr. Beran explained on the bottom of page five is the net position for governmental activities showing a minus \$2,938,397 of unrestricted funds. These are monies that can be used for any purpose. He explained this went down from last year because of additional costs of healthcare and some of those that happened in the year as well as some from the auditors doing these restatements at the beginning of the year. He stated as new auditors they often come in and have different accounting interpretations from the previous auditors. The auditing firm had some that they noticed that they changed. These things resulted in, for the governmental fund, a decrease of about \$1.2 million as we wrote off some deferred bond charges that we didn't agree that should be still on the books. This caused part of this large decrease in the fund. He noted the \$2.9 million is also negative because of the net pension obligations. He referred council to the liabilities under net pension obligations of \$4.7 million and the OPEBO (Other Post-Employment Benefits Obligation Payable) of \$4.2 million. Those totals are about \$9.0 million so if you have cash of \$6 million, that is causing the net restricted balance to be negative. He referred to the business type where we had a decrease from the prior year because we had another restatement. He stated there is good news on the restatement for the business types. The auditors ultimately increased the total fund balance for the business types by \$3.0 million because the IEPA bonds that were on the books at the end of last year, were missing the forgiveness last year which you do not have to pay back. So the IEPA Loans Payable was reduced for the bond balance to what they truly should have been then wrote off a bunch of deferred charges that ultimately net to about \$3.0 million for the total business-type. Alderperson Boldt asked about the \$3.0 million dollars. Mr. Beran explained that the \$3.0 million dollars was recorded as a liability on the books. He provided an example; when the City made an agreement with the IEPA, they had said we are going to give you \$8 million, but you are going to have to pay back \$5 million and the financial statement last year recorded as having to pay back \$8.0 million when truly you should have had a liability on the books of \$5.0 million.

Mr. Beran explained the income statement of activities for fiscal year ended April 30, 2014 on page 6 and 7. This is according to the way GAS-B requires the the auditors to show. He pointed out at the bottom of page 7 the overall increase of \$124,000 in the governmental funds and business type was a decrease of \$162,000. He will touch more on the fund level moving forward. He referred to page 8; pointing out the governmental fund or the general fund of the City. At the bottom the unassigned totals you have in your general fund \$4.7 million. In the non-major (the summary of all the other governmental funds and the special revenues (IMRF, TIF accounts, debt service funds and capital projects funds including the fire capital and equipment funds) that is the summary of those showing a total of \$3.3 million of fund balance.

On page 10, Mr. Beran explained that this is the income statement and three numbers from the bottom shows the net change from last year showing a decrease in the general fund of \$241,000. This is as a result of your expenses being greater than the revenues coming in. He explained that the healthcare costs went up from the prior year so ultimately there was a decrease from the prior year. Non-major the City had a decrease of \$984,000 as a result of the capital projects that you had budgeted for this year within the fire department which is the main driving force in this decrease that occurred, the buildings that occurred driving down the fund balance.

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On the next page of the business type funds (water sewer, storm and your non-major such as landfill and health and environment). He pointed to the unrestricted balance with water sitting at \$3.3 million with sewer, storm water and landfill all being negative. On the next page (pages 12 and 13) we can see what actually happened in these funds with water having an increase in the fund of \$528,000 that built on the already positive number on the last page, so water is trending in the right direction. Sewer has a decrease of \$558,000 which is continuing to drop down on that negative fund balance. He stated this may be a fund to be looking at in the future. Storm sewer had an increase which if you remember on the previous page that was shown as a negative so this fund is trending in the right direction and hopefully bring that number out of the negative in the future.

Mr. Beran then referred to page 67 pointing out that these statements actual show a better view of what happened to the funds from prior year. These show the final budget, whether you made any amendments to it and then the actual numbers. So you are able to compare what you thought was going to happen with what actually did happen. In the general fund you had revenues that came in on budget. For your expenses, the City had budgeted for a net deficit of \$2.5 million. The budget expenses came in low so you had \$241,000 decrease in this fund balance. Your expenditures came in less than budget but you had budgeted your expenses so high this year that you still ended up with it being in the hole and making good progress against your budget. Ultimately, your total of those expenses, you are talking about your \$21 million, that is having to have your pension expenses in there, your health expenses, and other various capital expenses are all within this number.

Mr. Beran reviewed the information contained on pages 77, 98, 94, and 100. On page 77, it shows the totals of those non-major funds such as special revenues, debt service, and capital projects. The capital project fund includes those fire capital fund expenses discussed previously that was budgeted for this year in an amount of \$1.5 million and this can be found by skipping ahead to page 98. On page 94, it contains the Library fund and it shows that there was a net increase in the library from last year to this year where revenues came in less than your budget, however, expenses came in lower to cause the library to continue to increase their fund balance from last year to this year by a total of \$28,000. On page 100, it shows the enterprise fund (water and sewer). He apologized for hitting a lot of funds and one of the comments from the auditors is that there are a lot of funds. This is a point of emphasis made to Cynthia that this is the sort of thing that can be tightened up and not have quite so many funds as we move forward in some areas. It makes it more difficult and cumbersome when you have so many funds. He referred to page 100 containing the significant enterprise funds. The water fund had the ultimate increase of the \$528,000 and this had to do with revenues coming in less than what was budgeted for but this was more than made up for when it comes to the operating expenses compared to the budget. Some of this has to do with capital projects that were ultimately capitalized for you so some of that is somewhat deceiving because those expenses got moved up to the balance sheet. Ultimately, water is trending in the right direction. He stated sewer, however, on page 100, shows that revenues came in more than what was budgeted, expenses came in lower but we are still looking at things continually going down. This is continuing to draw down the negative unrestricted fund balance, a decrease of \$55,000.

Mr. Beran then reviewed the fire and police pension funds. He stated that pages 18 and 19 provide the combined pension. He then asked council to refer to page 109, where they are broken out. In the police

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pension fund there is \$21 million and \$33 million in fire pension. On the next pages you can see how the income statement happened during the year so contributions that occurred from the City to the police fund for \$1.5 million shows in the contributions employer line at the top. Under the fire pension, it had \$782,000 come in through employer contributions. Ultimately, with the interest income, there was a very nice year in the accounts across the board. There was a good net change in fair value for these pension funds. There was a \$2 million dollar increase for both funds from last year to this year. He pointed out the employer contributions and what that has to do with the overall liability of the City. He referred to page 55 and pointed out the net pension obligations for the City at this point. We are sitting at obligations for the police fund of \$2.7 million and for the fire at \$1.7 million. Ultimately, previously the City had been making all its contributions of what the actuary had said and there was a decrease in the economy which dropped the funds down causing this obligation to increase. He stated you can see now where the City is contributing where the actual contributions is greater than the pension cost for both of these funds. This caused both of these pension obligations to decrease from the previous year. He referred to page 64 and 65 to show the trends for the pension funds for how the City has been contributing to them over the years. On the police, during this current year, the actuary had asked for that annual required contribution of \$1.3 million and the City contributed \$1.5 million – a net percentage of 116 percent. The City did above and beyond what the actuary had requested in trying to draw down that pension obligation. As for fire pension, they asked for \$802,000 from the actuary and the City contributed \$783,000 – a net percentage of 98 percent and the year before was 141 percent. The net pension obligation is continuing to go down.

Aldersperson Koester asked about the difference between the police and fire pension funds. Mr. Beran explained that if you notice the actual actuarial date, that is showing one year in arrears. So they look at numbers from the beginning of last year when they tell you what you need to contribute during this coming fiscal year. He stated he will look into why those fiscal years are not matching but you are going off of the actuaries 2013 numbers. The actuaries tell you what you need to contribute during this fiscal year.

Aldersperson Boldt asked about page 110 where it talks about the administration costs for the funds and asked if those seem in line. Mr. Beran stated without being able to look at the work papers, he would say yes. This is a fairly significant fund which results in decent size fees and they do not look out of place.

Aldersperson Boldt stated in past the audits it contained procedural issues, deficiencies, and recommendations. Mr. Beran stated he shared those with Cynthia Haggard and they talked about the way they are going to present those. She discussed that she will present those at a later date. He stated in the management letter they discussed the typically things that you usually see including the segregation of duties because the Finance Department is limited in staffing which results in segregation of duties not being up to par with what we would expect from our point of view. He stated there are too many funds which causes these financials to be cumbersome. He stated we also discussed GAS-B changes that are coming which could change your financials dramatically and we will help the Finance Director through those over the next year. Mayor Gitz asked Mr. Beran to elaborate on the healthcare expenses. Aldersperson Brashaw moved to place the audited financial report for Fiscal Year 2013-2014 on file, seconded by Aldersperson Koester. Motion prevailed by voice vote without dissent.

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MOTION TO RELEASE PUBLIC NOTICE THAT THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY HAS ISSUED A NOTICE OF INTENT TO ISSUE A CATEGORICAL EXCLUSION, LOAN PROJECT NUMBER: L175271

Mayor Gitz requested the following public comment notice to be read into the record by City Clerk Zuravel:

“PUBLIC COMMENT NOTICE
IEPA FUNDING OF WATER SYSTEM IMPROVEMENTS
CITY OF FREEPORT, ILLINOIS

“Public comment is invited with regard to the proposed Project Plan prepared by the City of Freeport, and a Notice of Categorical Exclusion from Detailed Environmental Review prepared by the Illinois Environmental Protection Agency.

“1. Purpose of the Project. The purpose of this Project is to make water system improvements, including an estimated 21,080 feet of water main upgrades to 12” and 16” diameter in key areas that would provide adequate water transmission lines from the new Well No. 9 to the new Elevated Tank and improvements to pressure zones, including the replacement of 10,310 feet of 6-8 inch water main and the replacement of 75 valves. The project will be funded through a loan from the Illinois Environmental Protection Agency (IEPA) and the project cost is estimated to be \$7,967,100.

“2. Review of Documents. The Notice of Intent to Issue a Categorical Exclusion and the Project Plan are available for public viewing at Freeport City Hall, located at 524 West Stephenson Street, Freeport, Illinois 61032. Persons can view them during normal business hours at the City Clerk’s office on the 3rd floor between now and the end of the public comment period which is ten (10) days from this notice.

“3. Public Comment Period. During this comment period (10 days), written comments may be provided to the City of Freeport or directly to the IEPA. Contact information for the City and IEPA is provided below.

“Contact information provided for Tom Glendenning, Director of Freeport Water & Sewer Commission and Heidi Allen of the Illinois Environmental Protection Agency, Bureau of Water Infrastructure Financial Assistance Section

“Unless new information is provided during this comment period, the IEPA will approve the planning for this project at the close of the public comment period.

“This notice will be dated Thursday, January 22, 2015 and signed by James Gitz, Mayor.”

Mayor Gitz provided that the notice will be published accordingly in the Journal Standard and asked for approval to release the notice as presented. He stated the council had an extensive presentation on the proposed project at the Committee of the Whole meeting and the map is currently available in council chambers. This is required notice that we need to place and have available for the public comment period. The motion from the council would be approve placement of this notice

Alderperson Crutchfield asked why the financial impact provided at the Committee of the Whole meeting through the loan project notice was not provided in this notice. He stated if he remembers, this project

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will be paid by an increase in the water rates for the estimated at a cost of close to \$7.9 million. Mayor Gitz stated what will actually happen will be an increase that will go into the capital funds. The amount of that has been an issue of some discussion because we have a certain amount of money coming in from the capital fund right now and we are doing a rate comparison study and we are also looking at our income flows. Mayor Gitz stated we are looking at the fees that are assessed already to determine what changes need to be restructured throughout the entire rate structure. Because those numbers are subject to further evaluation of change they are not specified directly. Will there be some level of support that is needed to satisfy the loan we think the answer to that is yes. He stated that we cannot specify the exact numbers until we have all the information documented.

Aldersperson Crutchfield stated that does not want to have the residents blind-sided because there is going to be an increase to pay for this loan. Mayor Gitz stated that everyone here knows that we will be making some level of rate adjustment, the issue is how much. In addition, there has been an energy audit conducted of the sewer plant and there is opportunity to save significant money by making some capital investments. He stated we are trying to look at this as a whole and not piece meal. If you want to say to someone this is how much it will be for this loan, and then you have additional items that you discuss later, there will be a lot of confusion. The fair statement is that do you want to proceed with the public comment and loan. He stated once we complete the public comment are we prepared then to move to the ordinance that would actually accept the loan. Our understanding with the loan will come the repayment obligation. He stated our intent is to look at the entire financial profile for the water and sewer funds and the capital funds and take all that information; share it with the council so we can make the decision at one time with each aspect in mind of this including the operating budget.

Aldersperson Klemm made a motion to post the release for the public notice, seconded by Aldersperson Koester.

Aldersperson Crutchfield stated that he recalled at the Committee of the Whole meeting there was an estimate for the water rates to go up. Mayor Gitz stated there was a figure provided by the IEPA that it would go up about \$4.00 per household. Aldersperson Crutchfield asked if we can say it will have an effect of \$4 per household. Mayor Gitz explained that we do not know if it will be \$4 per household and if that amount is not sufficient to take care of the energy efficiency component and other then it would be misleading to state \$4.00 if we have other dollar for the energy efficiency component in order to save money. Mayor Gitz stated that is why it is not in there. He asked if the council would like to have a complete financial analysis of the water and sewer system then make those decisions with all of the information. Aldersperson Crutchfield stated he does not want to pick a number but he does want to be transparent and as referred to in the Committee of the Whole, the City does not have outrageous water rates but he has a problem in us not being up front and giving the residents an idea of what they are looking at. He remembers there as a number four and then a dollar was added that gave it five something. Mayor Gitz stated the ordinance that you have to approve agrees the you have the financial capacity to satisfy the loan. This is to post it on file. Mayor Gitz requested a roll call vote to place publication notice. The motion prevailed by a roll call vote of;

Yeas: Klemm, Boldt, DeVine, Endress, Brashaw, and Koester (6)

Nays: Crutchfield (1)

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CONSENT AGENDA

The following items were presented on the Consent Agenda in the council packet and Mayor Gitz read the listed items into the record: [Consent Agenda PDF](#)

- A. Approval to receive and place on file:
 - 1) Police Department Report of Activities for November 2014
 - 2) Police Department Report of Activities for December 2014
 - 3) Building Permits for December 2014
- B. Approval of Motor Fuel Tax Fund Register # MFT-0055 --- \$336,448.61
- C. Approval of Water and Sewer Bills Payable (Registers #273 & 281) --- \$326,324.08
- D. Approval of Payroll for pay period ending January 10, 2015 --- \$418,238.54
- E. Approval of Finance Bills Payable (Registers #274 through 280) --- \$596,706.50

Aldersperson Koester moved for approval of the consent agenda as presented, seconded by Aldersperson Crutchfield. The motion prevailed by a roll call vote of;

Yeas: Klemm, Boldt, DeVine, Endress, Brashaw, Koester, and Crutchfield (7)

Nays: none

The Consent Agenda items were approved.

BOND ORDINANCES SUMMARY

Director Haggard presented a cover memorandum for the first five ordinances of 2015 to abate the 2014 real estate tax levy for the repayment of the General Obligation bonds:

- Series 2006 for: Downtown TIF, Library, Sewer, Storm Sewer
- Series 2013 for: Downtown TIF, Library, Sewer, Storm Sewer
- Series 2013A for: Fire Capital Improvements (Central Fire Station)
- Series 2014A: Sewer
- Series 2014B: Sewer

Director Haggard stated she attached a letter addressed to Corporation Counsel for each of the ordinances attesting to the fact the City's revenues are sufficient to repay the principal and interest of the bonds due up to and including January 1, 2016. She explained that she broke out the payment for each of the individual bonds and by abating them they will not be placed on property tax levy.

2nd READING OF ORDINANCE # 2015-01:

AN ORDINANCE TO ABATE THE 2014 REAL ESTATE TAX LEVY FOR THE REPAYMENT OF THE GENERAL OBLIGATION BONDS, SERIES 2006

The first reading was held on January 5, 2015. A motion to adopt was given by Aldersperson Koester, seconded by Aldersperson Klemm and it was automatically laid over to tonight's meeting. In addition to the bond abatement ordinance was the following letter from Director Haggard to Corporation Counsel Sarah Griffin dated January 5, 2015 stating; "Please issue tax levy abatement for the Series 2006 General Obligation Bond in the amount of \$448,300. This amount represents the principal and interest payments due as follows:

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Due Date	Principal	Interest	Total
Jul-15	\$ -	\$ 194,150.00	\$ 194,150.00
Jan-16	60,000.00	194,150.00	254,150.00
Total	\$ 60,000.00	\$ 388,300.00	\$ 448,300.00

The City of Freeport has such funds sufficient to repay the principal and interest on the bond due to and including January 1, 2016. Please issue an abatement to the Stephenson County Clerk and Recorder.”

Upon no discussion, the motion for passage of Ordinance 2015-01 prevailed by a roll call vote of;
Yeas: Klemm, Boldt, DeVine, Endress, Brashaw, Koester, and Crutchfield (7)

Nays: none

Ordinance 2015-01 was passed.

2nd READING OF ORDINANCE # 2015-02:

AN ORDINANCE TO ABATE THE 2014 REAL ESTATE TAX LEVY FOR THE REPAYMENT OF THE GENERAL OBLIGATION BONDS, SERIES 2013

The first reading was held on January 5, 2015. A motion to adopt was given by Alderperson Endress, seconded by Alderperson DeVine and it was automatically laid over to tonight’s meeting. In addition to the bond abatement ordinance was the following letter from Director Haggard to Corporation Counsel Sarah Griffin dated January 5, 2015 stating; “Please issue a tax levy abatement for the Series 2013 General Obligation Bond in the amount of \$362,400. This amount represents the principal and interest payments due as follows:

Due Date	Principal	Interest	Total
Jul-15	\$ -	\$ 6,200.00	\$ 6,200.00
Jan-16	350,000.00	6,200.00	356,200.00
Total	\$ 350,000.00	\$ 12,400.00	\$ 362,400.00

The City of Freeport has such funds sufficient to repay the principal and interest on the bond due to and including January 1, 2016. Please issue an abatement to the Stephenson County Clerk and Recorder.”

Upon no discussion, the motion for passage of Ordinance 2015-02 prevailed by a roll call vote of;
Yeas: Klemm, Boldt, DeVine, Endress, Brashaw, Koester, and Crutchfield (7)

Nays: none

The ordinance was passed as presented.

2nd READING OF ORDINANCE # 2015-03:

AN ORDINANCE TO ABATE THE 2014 REAL ESTATE TAX LEVY FOR THE REPAYMENT OF THE GENERAL OBLIGATION BONDS, SERIES 2013A

The first reading was held on January 5, 2015. A motion to adopt was given by Alderperson Brashaw, seconded by Alderperson Klemm and it was automatically laid over to tonight’s meeting. In addition to the bond abatement ordinance was the following letter from Director Haggard to Corporation Counsel Sarah Griffin dated January 5, 2015 stating; Please issue a tax levy abatement for the Series 2013A

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General Obligation Bond in the amount of \$87,945. This amount represents the principal and interest payments due as follows:

Due Date	Principal	Interest	Total
Jul-15	\$ -	\$ 11,473.00	\$ 11,473.00
Jan-16	65,000.00	11,472.00	76,472.00
Total	\$ 65,000.00	\$ 22,945.00	\$ 87,945.00

The City of Freeport has such funds sufficient to repay the principal and interest on the bond due to and including January 1, 2016. Please issue an abatement to the Stephenson County Clerk and Recorder. Upon no discussion, the motion for passage of Ordinance 2015-03 prevailed by a roll call vote of; Yeas: Klemm, Boldt, DeVine, Endress, Brashaw, Koester, and Crutchfield (7)
Nays: none
The ordinance was passed as presented.

2nd READING OF ORDINANCE # 2015-04:

AN ORDINANCE TO ABATE THE 2014 REAL ESTATE TAX LEVY FOR THE REPAYMENT OF THE GENERAL OBLIGATION BONDS, SERIES 2014A

The first reading was held on January 5, 2015. A motion to adopt was given by Alderperson Koester, seconded by Alderperson Klemm and it was automatically laid over to tonight's meeting. In addition to the bond abatement ordinance was the following letter from Director Haggard to Corporation Counsel Sarah Griffin dated January 5, 2015 stating; "Please issue a tax levy abatement for the Series 2014A General Obligation Bond in the amount of \$780,975. This amount represents the principal and interest payments due as follows:

Due Date	Principal	Interest	Total
Jun-15	\$ -	\$ 85,487.50	\$ 85,487.50
Dec-15	610,000.00	85,487.50	695,487.50
Total	\$ 610,000.00	\$ 170,975.00	\$ 780,975.00

The City of Freeport has such funds sufficient to repay the principal and interest on the bond due to and including December 31, 2015. Please issue an abatement to the Stephenson County Clerk and Recorder." Upon no discussion, the motion for passage of Ordinance 2015-04 prevailed by a roll call vote of; Yeas: Klemm, Boldt, DeVine, Endress, Brashaw, Koester, and Crutchfield (7)
Nays: none
The ordinance was passed as presented.

2nd READING OF ORDINANCE # 2015-05:

AN ORDINANCE TO ABATE THE 2014 REAL ESTATE TAX LEVY FOR THE REPAYMENT OF THE GENERAL OBLIGATION BONDS, SERIES 2014B

The first reading was held on January 5, 2015. A motion to adopt was given by Alderperson Endress, seconded by Alderperson Klemm and it was automatically laid over to tonight's meeting. In addition to

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the bond abatement ordinance was the following letter from Director Haggard to Corporation Counsel Sarah Griffin dated January 5, 2015 stating; "Please issue a tax levy abatement for the Series 2014B General Obligation Bond in the amount of \$240,382.50. This amount represents the principal and interest payments due as follows:

Due Date	Principal	Interest	Total
Jun-15	\$ -	\$ 100,191.25	\$100,191.25
Dec-15	40,000.00	100,191.25	140,191.25
Total	\$ 40,000.00	\$ 200,382.50	\$240,382.50

The City of Freeport has such funds sufficient to repay the principal and interest on the bond due to and including December 31, 2015. Please issue an abatement to the Stephenson County Clerk and Recorder." Upon no discussion, the motion for passage of Ordinance 2015-05 prevailed by a roll call vote of; Yeas: Klemm, Boldt, DeVine, Endress, Brashaw, Koester, and Crutchfield (7)

Nays: none

The ordinance was passed as presented.

2nd READING OF ORDINANCE # 2015-07:

AN ORDINANCE AMENDING CHAPTER 1460 (FLOOD MANAGEMENT AREAS), SECTION 1460.04 "BASE FLOOD ELEVATION DATA" OF THE CODIFIED ORDINANCES OF THE CITY OF FREEPORT

The first reading was held on January 5, 2015. A motion to adopt was given by Alderperson Klemm, seconded by Alderperson Endress and it was automatically laid over to tonight's meeting. Upon no discussion, the motion for passage of Ordinance 2015-07 prevailed by a roll call vote of;

Yeas: Klemm, Boldt, DeVine, Endress, Brashaw, Koester, and Crutchfield (7)

Nays: none

The ordinance was passed as presented. City Clerk Zuravel noted for the record that the flood maps have an effective date of March 16, 2015.

ORDINANCES - FIRST READING

1st READING OF ORDINANCE #2015-08:

SPECIAL ORDINANCE FOR VARIATION, PERMIT OR AMENDMENT OF CODIFIED ORDINANCES OF FREEPORT ILLINOIS - *Type of Relief: Amendment of zoning classification from R-6 (Multi-family Residence District) to B1-1 (Restricted Retail Business); Owner or Applicant: Howard Shirley; Address or Description of property: 718 E. Stephenson Street, Freeport, IL (PIN 18-14-29-357-022) SUB of W1/2 SW1/4 SEC 29 E 44' W 92' LT 2 (EX N120') W1/2 SW1/4 SEC 29-27-8.18 AC-PL*

The vote of Planning Commission on January 8, 2015, was unanimous and there were no written objections filed on the petition, therefore council may take final action this reading. Community Development Director Jim Brown provided a written memorandum and summarized the public hearing held on January 8, 2015, by stating the petitioner, Howard Shirley, requested the rezoning of the property from an R-6 (Multi-family Residence District) to B-1-1 (Restricted Retail Business) for the property located at 718 E. Stephenson Street. The intention of the applicant is to establish a small grocery store.

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He stated the property itself consists of one small commercial building of brick, and one 1-1/2 story single family residence. Both are currently unoccupied. The commercial building housed a commercial use, most likely a small store at one time. The applicant requests the rezoning in order to establish a small grocery store selling fresh food and meats in the commercial building. He has indicated he will use the residence for storage. The zoning in the immediate area to the north, east, and west of the site is R-6 and there is B-1-1 across the street. Director Brown explained that this area lacks easy to access grocery store and referred to this area as a food desert. Establishment of a grocery store at this location could greatly benefit the community. Director Brown stated the Planning Commission recommendation of a zoning of B-1-1 and the findings of fact were provided on page 5 of 6 of the report. Director Brown explained that the building could be returned to its previous use of a grocery store. He stated from 1940 to 1999 it was used for commercial use and then changed as residential. The property has been vacant for twenty years.

Aldersperson Brashaw asked if this property was located in the flood plain. Director Brown stated that according to testimony it was located in the flood plain but was not subject to flooding. The changes that need to be made to the building include tuck pointing but very little would need to be done to it so he did not see that as an issue.

Aldersperson Koester moved for approval of the ordinance as presented, seconded by Aldersperson Endress. The motion for passage of Ordinance 2015-08 prevailed by a roll call vote of;
Yeas: Klemm, Boldt, DeVine, Endress, Brashaw, Koester, and Crutchfield (7)
Nays: none

RESOLUTION

RESOLUTION #R-2015-02:

RESOLUTION AUTHORIZING AGREEMENT BETWEEN THE CITY OF FREEPORT AND THE PUBLIC HEALTH FOUNDATION OF NORTHWEST ILLINOIS FOR A BROWNFIELDS COMMUNITY ENGAGEMENT

Director Brown provided a written explanation of the resolution which stated in 2013 the City was awarded an EPA Brownfields Area-Wide Planning grant. The EPA's Brownfields Area-Wide Planning Program is designed to help communities confront local environmental and public health challenges related to brownfields, and benefit underserved or economically disadvantaged communities. Area-wide planning for brownfields encourages community-based involvement in site assessment, cleanup and reuse planning, as well as overall neighborhood revitalization. Through a brownfields area-wide planning approach, the community identifies a specific project area that is affected by a single large or multiple brownfields, then works with residents and other stakeholders to develop reuse plans for catalyst, high priority brownfield sites and their surrounding area. These reuse plans then inform the assessment and cleanup of brownfield sites. Under the grant, the City and its consultants, Fehr Graham and Skeo, will conduct a series of public meetings to encourage the public's involvement in site assessment, cleanup and reuse planning. The Public Health Foundation of Northwest Illinois, which has been heavily involved in previous brownfields efforts, will lead the efforts to ensure adequate public participation. The attached Sub-Grant Agreement between the City and the Health Foundation specifies phases and tasks to be completed by the Health Foundation and amounts to be received under the grant for successful completion. Note that the Health Foundation is to employ resident leaders who will be tasked with publicizing the meetings and encouraging neighborhood participation in the planning effort. Director Brown stated the brownfields area-wide planning program will go hand-in-hand with

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the Album Street clean-up. The cost will include the reimbursement schedule as attached with the tasks provided.

Aldersperson Koester moved for approval of the resolution as presented, seconded by Aldersperson Crutchfield. The motion to approve the resolution as presented prevailed by a roll call vote of;
Yeas: Klemm, Boldt, DeVine, Endress, Brashaw, Koester and Crutchfield (7)
Nays: none
Resolution #2015-02 was adopted

RESOLUTION #R-2015-03:

RESOLUTION ADOPTING THE CITY OF FREEPORT 2015 ECONOMIC DEVELOPMENT GOALS

Aldersperson Crutchfield made a motion to postpone the resolution this evening, seconded by Aldersperson Koester. Motion prevailed by voice vote with one dissenting vote. Mayor Gitz stated the yeas have it.

RESOLUTION #R-2015-04:

RESOLUTION IN SUPPORT OF ENTERPRISE ZONE EXPANSION APPLICATION FOR SWIFT HOSPITALITY GROUP

Community Development Director Brown presented the resolution by stating the Swift Hospitality Group is pursuing a venture at its Citizen's Plaza location on Forest Road that will potentially lead to the development of a senior residence combining 32 independent and assisted living units with 21 memory care units on a three acre site. The project will entail the investment of approximately \$12 million and create 25-30 full-time healthcare professional positions. Swift Hospitality desires that the Enterprise Zone be expanded to encompass this development. The resolution as provided is necessary to indicate the City's support of this endeavor. Director Brown noted a letter of support will also be forwarded to the Enterprise Zone Committee that will be reviewing the request later this month.

Aldersperson Klemm noted this is prime location for senior housing and it will be similar to the property to the west. He stated this will be a good area for retail or retail food establishment.

Aldersperson Boldt stated at the time the Citizens Bank was constructed on that property there was no surrounding building in the area. Now we have a senior living facility across the street. Aldersperson Boldt reminded council members of the importance of sidewalks and stated all properties should be required to have sidewalks and there should be no more exemptions. He concluded by stating that he told you so that there would be future building in the area.

Aldersperson Klemm moved for approval of the resolution as presented, seconded by Aldersperson Brashaw. The motion to approve the resolution prevailed by voice vote without dissent. Resolution #2015-04 was adopted

OTHER

REPORTS OF DEPARTMENT HEADS

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Community Development

Director Brown provided information on a meeting to continue neighborhood renewal in the City's 3rd Ward, at the Rawleigh Complex, Downtown, on the East Side, and along the Riverfront. He stated an open house will be held at the Freeport Public Library on February 4, 2015 beginning at 5:30 pm and will consist of an open house and an informational meeting.

Finance

Finance Director Cynthia Haggard provided five financial result for the City of Freeport for eight months of the fiscal year 2015 for period ended December 31, 2014 including; 1) revenues to actual budget, 2) expenditures actual to budget, 3) healthcare fund for the eight month period, 4) revenues year over year for the eight months, and 5) expenditures year for the eight month period. She explained that the first two reports compare the actual results to the budgeted amount. The third report outlines the Healthcare Fund current year and prior year. The fourth and fifth reports compare the actual results to prior year.

Public Works

Director Dole was present and had no further report.

Library

Freeport Public Library Director Carole Dickerson was present and had no report.

Fire

Fire Chief Scott Miller was present and had no report.

Police

Chief of Police Todd Barkalow stated the department received the new squads and they will have a new black and white design. They are awaiting installation of the computer system. The canine fundraising is continuing and going well. At the last meeting, there was an introduction of an officer and unfortunately he was lost due to the physical agility testing at the academy. The police department was able to surplus some old squad vehicles and the money will go back into the general fund.

Water and Sewer

Water and Sewer Executive Director Tom Glendenning had no report.

City Engineer

City Engineer Shaun Gallagher provided an overview of the MFT program and he will be preparing the bid packets for these projects. He has been busy measuring the miles of the cracks in the city streets to obtain the correct quantity for the bid packet. He provided his process for the mill and overlay compared to the crack sealing.

MAYOR'S REPORT

Mayor Gitz thanked the council for their discussion on the economic development resolution. He would like this to set priorities of the City. Mayor Gitz stated there are a number of contracts for economic

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development, including NIDA, the action plan for Freeport Downtown Development and the Visitors Bureau. Staff and the Mayor have been discussing how to make all these pieces coordinate. He stated we need to know what our financial position is on this moving forward and what we want out of this. At the next council meeting the annual report will be presented by the departments.

Mayor Gitz would like council members to provide their input as to a council retreat by providing dates and ideas for discussion. He discussed that the council retreat could be held on February 7 or February 21 or 28, 2015 but it would not be held on February 14, 2015. He would like volunteers so this is a joint effort of the council. Alderperson Crutchfield stated he will volunteer. Alderperson Koester asked to consider February 28. Mayor Gitz stated that he will send out an email to ask for suggestions.

Mayor Gitz stated that Corporation Counsel Griffin provided him a reminder about the notice that will be posted in our office for the IEPA loan documents will contain the details of the project and it contains the projected cost numbers and that is the IEPA estimate. That is their estimate and we do not know what the definitive number will be. He has asked for a review of receivables for the Water & Sewer Commission and based on discussions with Director Glendenning there may be energy efficiency upgrades that may be incorporated into the dollars so his intention is to wrap it all together.

NEW BUSINESS/COUNCIL ANNOUNCEMENTS

Council members were provided an opportunity to discuss matters of public concern or to make announcements for their wards.

- Alderperson Klemm provided his comments on the retreat. He asked about the progress of the property next to the pizza place in downtown Freeport. Mayor Gitz stated there is a preliminary injunction and a court date was set a month out.
- Alderperson Boldt commented on the power of the inspector's vehicle.
- Alderperson DeVine reminded drivers to stop for all school busses.
- Alderperson Endress asked about the progress of the demolition of the Okey Dokey. Mayor Gitz stated it is held up by the judicial system who needs to determine which party will pay for the demolition. Alderperson Endress was glad to hear of the progress of demolition of a garage on Iroquois. He wished the Freeport bowling team good luck at sections.

PUBLIC COMMENTS AGENDA OR NON-AGENDA ITEMS

Tom Teich spoke about the snow shoeing event he will participate on Saturday for the Special Olympics.

Upon motion duly made and seconded, the meeting was adjourned at 7:55 p.m.

s/ Meg Zuravel

Meg Zuravel
City Clerk