



## *City Council*

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

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### **MINUTES REGULAR MEETING Monday, April 6, 2015**

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#### **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 April 6, 2015.

#### **ROLL CALL**

Present on roll call: Mayor Gitz and council members Tom Klemm, Shawn Boldt, Ronnie Bush, Jennie DeVine, Dennis Endress, Sally Brashaw, Michael Koester, and Andrew Crutchfield (8). Corporation Counsel Sarah Griffin was also present.

#### **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Alderperson Crutchfield.

#### **APPROVAL OF AGENDA**

Mayor Gitz requested a presentation to be added on the agenda for tonight for information on the Airport office renovation. He stated there were a couple of corrections to tonight's agenda before its approval. The agenda is for a regular meeting (not a special meeting as corrected upon posting/website) and under items 11 and 12 their index numbers should be corrected to 2015-23 and 2015-24. Alderperson Endress moved for approval as amended, seconded by Alderperson Koester. Motion prevailed by voice vote without dissent.

#### **PUBLIC COMMENTS – AGENDA ITEMS**

Signed on the sheet for public comments was Shelly Griswold, Chairperson of the Airport Commission. Mayor Gitz stated we will hear from Ms. Griswold under presentations.

#### **PRESENTATIONS/PROCLAMATIONS**

Chris Wallace presented information on a newly formed "100 Women Who Care" which is a gathering of local women who are interested in supporting charity organizations within Stephenson County. Their mission is to reach out and help our community by engaging 100 (or more) women to each contribute dollars which will then be contributed to these organizations. The group meets four times per year at a local restaurant with their next meeting scheduled on May 14, 2015.

A proclamation was read aloud naming April 12-18, 2015 in the City of Freeport as National Public Safety Telecommunications Week. The proclamation congratulated the dedicated and hardworking members of the Freeport Police and Fire Communications Center who receive calls for emergency assistance and homeland security information in our 9-1-1 center. Mayor Gitz, Police Chief Todd Barkalow, Fire Chief Scott Miller, and Lieutenant Blake Klosa congratulated the public safety telecommunicators for their dedication in receiving calls making them the single point of contact for persons

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seeking immediate emergency assistance. The council members and staff applauded their compassion, professionalism, and service throughout the year to the people of Freeport.

A proclamation for Child Abuse Prevention Month (April 2015) was presented to Elizabeth Smith and Noelle Schamberger of the Children's Home and Aid Society. The proclamation spoke about child abuse as a nationwide problem that places children at risk of harm. Last year, there were 690 reported cases of child abuse and neglect in Stephenson County. The proclamation encouraged the citizens of Freeport to participate in activities that increase awareness and assist in the prevention and eradication of child neglect and abuse.

A presentation was given by Shelly Griswold as the Airport Commission Chairperson to recognize the volunteer efforts of those affiliated with the Albertus Airport through the local pilots association and the Freeport Flite Center. The volunteers helped to tear down the fixed base operator office and classroom which experience mold issues over the winter. They removed furniture from the office and provided the cleaning. In addition to the volunteer work done, Mr. Janssen removed old ceiling tile, grid work, insulation, electric, paneling on west wall, insulation in the furnace room, and removed old furnace duct work and also installed new duct work paneling on the west wall. Volunteers painted the office, shampooed the carpet, installed ceiling grid, installed floor, and built divide walls in an effort to make the Fixed Base Operator's office functional. Ms. Griswold stated the volunteer efforts of this group overall cost was \$7,589 and the work provided had an estimated value of \$50,157. She and Mayor Gitz thanked the volunteers read aloud by Ms. Griswold and, in particular, recognized those attending the meeting.

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Aldersperson Koester moved for approval of minutes from the regular meeting held on March 16, 2015 and the special meeting held on March 23, 2015, seconded by Aldersperson DeVine. Motion prevailed by voice vote without dissent.

**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) Illinois Environmental Protection Agency Notice of Application for Permit to Manage Waste (LPC-PA16) for Landfill No. 2 and 3 and Landfill No. 4, South Walnut Road
- 2) Illinois Environmental Protection Agency Supplemental Permit No. 2014-161-SP, Log No. 2014-161, Permit Landfill 807 File, Permit Approval for Landfill No. 2 & 3
- 3) Finance Department Notice of Closed Bank Accounts
- 4) Finance Department Notice of Opened Bank Accounts
- 5) Police Department Report of Activities for February 2015
- 6) Fire Department Report of Activities for February 2015
- 7) Building Permits for March 2015
- 8) City Treasurer's Monthly Investment Report for period ended February 28, 2015
- 9) City Treasurer's Report on Cash and Fund Balances for period ended Feb. 28, 2015

B. Approval of Motor Fuel Register #0058 --- \$105,015.66

C. Approval of Water and Sewer Bills Payable (Registers #309, 313, 319, 322) --- \$859,254.99

D. Approval of Payroll for pay period ending March 21, 2015 --- \$408,590.28

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E. Approval of Finance Bills Payable (Registers #310, 311, 312, 314, 315, (316 void), 317, 318, 320, 321) --- \$651,700.12

Alderperson Endress moved for approval of the consent agenda as presented, seconded by Alderperson Brashaw. The motion prevailed by a roll call vote of;

Yeas: Klemm, Boldt, Bush, DeVine, Endress, Brashaw, Koester, and Crutchfield (8)

Nays: none

The Consent Agenda items were approved.

**COMMUNICATIONS TO COUNCIL**

Finance Director Cynthia Haggard reviewed for council the City of Freeport Audit Management Letter for the Fiscal Year Ended April 30, 2014 as provided by Lauterbach & Amen, LLP. She stated as part of the audit every year, the City is presented with a management letter. The management letter is a tool the City uses to identify areas the auditing firm views as improvements to day-to-day accounting and financial management. We utilize their opinions to strengthen processes already in place and implement new processes when necessary. She stated the suggestions from the auditors are not required to be disclosed in the Annual Financial Report. The auditors commended the Finance Department for a well prepared audit package and they appreciated the courtesy and assistance given to them by the entire City staff, as noted in their Management Letter report.

Director Haggard explained management letter is structured to first include the auditor's observation marked "comment". Within this text the auditor provided a brief overview of their understanding of a circumstance. The comment is followed by their "recommendation". The recommendation is based on the auditor's professional opinion and is received as a suggestion. The City provides the "Management Response" which is a consideration, explanation and/or agreement to make change, demonstrate change that has already been implemented or offer alternatives to change.

The management letter contained the following item (*for further information see the document hyperlinked to the city council agenda dated April 6, 2015*).

- **Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." and GASB Statement No. 68, "Accounting and Financial Reporting for Pensions."**  
The City recognizes the new GASB Statements and will work with the auditors for the proper reporting of the net pension liability be recorded on the face of the financial statements.
- **GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions."**  
City administrations have consistently targeted a three-month cash balance as a reasonable goal for municipal stability and liquidity. That policy emanated from past City Councils that specifically discussed this issue, taking into account recommended best practices. In recent years, the City has been challenged by the state of the local economy, a desire to limit the tax burden imposed upon local taxpayers, and uncertain State receipts from shared revenue sources. Nevertheless, the City has sought to increase its cash reserves while balancing the foregoing factors. We agree that updating and formalizing our Fund Balance Policy is a worthwhile goal as part of the current budget process that is already underway. The City will seek to split fund balance categories as follows: Nonspendable, Restricted, Committed, Assigned, Unassigned

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- **Employee Personnel Policy**

The City's Employee Handbook was last updated January 29, 2007. Nothing has changed to prompt updating the manual. More importantly, many of the city's personnel are subject to collective bargaining agreements which define the amount of vacation and sick time that an employee may carry over from year to year. Changes in these contracts must therefore be made through the collective bargaining process.

- **Policy and Procedure Manual**

This manual is targeted to the Finance Department. The creation of this manual will require a substantial investment of time and effort to develop. Most individuals within other departments have formal procedures which the City intends to review to ensure they are current and in compliance with State and Federal laws.

- **Grant Administration**

The City presently tracks grants through individual departments in conjunction with the Finance Department. The City has established a central tracking and monitoring procedure within the Finance Department that operates as a cross check on grant activities within respective departments.

- **Segregation of Duties**

Segregation of duties has been mentioned in virtually all audit reports for the City over the past 20 years. It is not uncommon for a municipality our size to have limited staff. However, the City will continue to assess and strengthen internal controls to the extent possible. Many changes have already been made.

- **Credit Card Purchases**

The City will adopt a formal policy signed by the Mayor for credit card expenditures. The policy will require that all credit card receipts be signed by the purchaser and include a description of the purchase on the receipt. Additionally, a spending threshold has already been established.

- **Bank Reconciliations**

Water and Sewer reconciliations have been a challenge for years. The City has merged Water and Sewer accounts management with the Finance Department to strengthen the resources for bank reconciliation and general ledger management. In addition, the City continues to improve its utilization of its software for accounts management.

- **Funds over Budget**

The two funds mentioned in the Management Letter would ordinarily be subject to a year-end budget adjustment as part of the City's Supplemental Appropriation approved for Fiscal Year 2014. Last year, the City was in the middle of a Finance Director search which resulted in the City not having sufficient personnel to oversee this process. This oversight in adjusting the Supplemental Appropriation is a budget anomaly. The City has since appointed a full-time Finance Director and added a highly skilled City Accountant to ensure compliance with all state and federal financial requirements.

- **Funds with Deficit Fund Equity**

The Landfill Closure deficit is the result of IEPA required future reporting and laboratory work for the remainder of the 15 and 30-year landfill closure periods. Laboratory tests on individual cells have resulted in IEPA imposing additional testing and maintenance beyond the original expected landfill closure requirements. These requirements have increased the original cost of closing the landfill. This deficit is currently being covered by revenues received from the City negotiated

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transfer station lease for municipal waste. Design and maintenance expenditures are also supported by funds generated by the two municipal TIF districts where the landfills are located.

Council was provided an opportunity to ask questions regarding the management letter.

**APPOINTMENTS/REAPPOINTMENTS**

Mayor Gitz asked Corporation Counsel Griffin if it would be appropriate to have reappointments read together and the appointments done separately. She concurred.

The following reappointments were read into the record:

- Reappointment of Linda Buss to the Firefighters Pension Fund Board of Trustees effective immediately through April 30, 2017
- Reappointment of Jeff Williams to the Police Pension Fund Board of Trustees effective immediately through April 30, 2017

Aldersperson Brashaw moved for approval of the reappointments as presented, seconded by Aldersperson DeVine. Motion prevailed by voice vote without dissent.

Aldersperson Klemm moved for approval of an appointment of Jessica Currier to the Americans with Disabilities Act Compliance Commission (ADA) effective immediately, seconded by Aldersperson Endress. Motion prevailed by voice vote without dissent.

Aldersperson Klemm moved for approval of an appointment of Victor James Ferrar to the Freeport Public Library Board of Trustees effective immediately through April 1, 2018, seconded by Aldersperson Endress. Motion prevailed by voice vote without dissent.

Aldersperson Klemm moved for approval of an appointment of Denise McIlwain to the Board of Fire and Police Commission effective immediately for a three year term ending April 30, 2018, seconded by Aldersperson Endress. Motion prevailed by voice vote without dissent.

Aldersperson Endress moved for approval of an appointment of Mark Gridley to the Board of Fire and Police Commission effective immediately for a three year term ending April 30, 2018, seconded by Aldersperson Crutchfield. Motion prevailed by voice vote without dissent.

Mayor Gitz introduced Mr. Jim Ferrar and thanked him for his service as a former Airport Commissioner. Mr. Ferrar spoke about his goal to make people more aware of the benefits at the Freeport Public Library including its position to educate children. He thanked the council for their support of his appointment.

**ORDINANCES - SECOND READING**

**2<sup>nd</sup> READING OF ORDINANCE #2015-21:**

**AN ORDINANCE AMENDING CHAPTER 1026 – SIDEWALKS, SECTION 1026.17 (SALES; MERCHANDISE DISPLAYS; CAFES), REGARDING SIDEWALK CAFES OF THE CODIFIED ORDINANCES OF THE CITY OF FREEPORT**

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The first reading of this ordinance was held at the special meeting on March 23, 2015. A motion to approve was given by Alderperson Crutchfield, seconded by Alderperson Brashaw and the ordinance was laid over to tonight's meeting.

Provided in the council packet was a memorandum written by Corporation Counsel Sarah Griffin. It provided the following; "This winter we had a problem with a number of Sidewalk Café permit holders not removing all of their tables, etc., thus causing a problem with snow removal. During our heaviest snowfall, the police department had to actually ask for the situation to be abated by the property owner or face removal by the City. Clearly, the intent of allowing items to be placed on the sidewalk for a Sidewalk Café is to allow for actual use of the property as an extension to the restaurant. To avoid the storage of items on the sidewalk during the winter months when they are not in use, we have drafted the attached ordinance limiting the Sidewalk Café permit dates to May 1 through November 1. After that time all items must be removed from the sidewalk. The ordinance also tightens up liability by requiring the permit to name the City as an additional insured."

Mayor Gitz stated this ordinance is styled as a housekeeping ordinance to require sidewalk cafes compliance with ADA specifications, to require insurance naming the City of Freeport as an additional insured, to have the term of the sidewalk café license to be from May 1 to November 1 to assure sidewalks are cleared for winter, and to assure there are no permanent fixtures attached to the sidewalk.

Alderperson Brashaw asked about requiring payment of the annual license fee by March 31st for renewal of the sidewalk café license and how that would work this year. Mayor Gitz stated that this will be renewed through the Community Development Department as soon as the ordinance is approved. He stated the department will oversee personal contact of previous sidewalk café licensees this week.

Upon no further discussion, Mayor Gitz asked for a roll call vote to approve the ordinance as presented. The motion prevailed by a roll call vote of;

Yeas: Klemm, Boldt, Bush, DeVine, Endress, Brashaw, Koester, and Crutchfield (8)

Nays: none

Ordinance #2015-21 was passed.

**2<sup>nd</sup> READING OF ORDINANCE #2015-22:**

**AN ORDINANCE AMENDING CHAPTER 242 – FIRE DEPARTMENT, SECTION 242.46 (CHARGES FOR AMBULANCE SERVICE) OF THE CODIFIED ORDINANCES OF THE CITY OF FREEPORT**

The first reading of this ordinance was held at the special meeting held on March 23, 2015. A motion to approve was given by Alderperson Koester, seconded by Alderperson Klemm and the ordinance was laid over to tonight's meeting. Fire Chief Scott Miller provided a memorandum in the council packet explaining the following;

"Recently, the Medicare rate for ambulance service/transport increased a modest 1.5% for calendar year 2015. Our rates by ordinance reflect 105% of the Medicare rate.

"Reviewing this longstanding rate formula, I was compelled to conduct research to identify "usual and customary" rates for municipal ambulance service.

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“Our fee structure is broken down into levels of service. These current rates for 2015 (105% of Medicare) are reflected as follows:

**City of Freeport Rates:**

- Basic Life Support  
Resident rate: \$359.08  
Non-Resident rate: \$459.08
- Advanced Life Support I (IV therapy and cardiac monitor)  
Resident rate: \$426.40  
Non-Resident rate: \$526.40
- Advanced Life Support II (severe medical condition or trauma)  
Resident rate: \$617.17  
Non-Resident rate: \$717.17

“Annually, a **regional** study is conducted by the City of Naperville to ascertain the fees charged by various municipalities for ambulance service. A summary of the results are as follows:

- “Number of responding agencies: 118
- Number of agencies charging a resident user fee: 109 (92%)
  - Number of agencies charging a non-resident user fee: 110 (92%)
  - Average fees charged:

<u>Resident Fees:</u>	BLS -	\$576.46	ALS-1 -	\$743.13	ALS-2- \$900.16
<u>Non-Resident Fees:</u>	BLS -	\$750.64	ALS-1 -	\$980.46	ALS-2- \$1135.45
  - Number of agencies assessing a mileage fee: 106 (90%)
  - Number of agencies that have updated fees since the last survey: 32 (27%)
  - Number of agencies using a private billing service: 100 (85%)

“A **list of communities** that utilize our present Billing Service was obtained. The disparity is similar based on 163 communities contracted for service.

- Average fees charged:

<u>Resident Fees:</u>	BLS -	\$605.78	ALS-1 -	\$754.83	ALS-2- \$884.93
<u>Non-Resident Fees:</u>	BLS -	\$760.00	ALS-1 -	\$926.02	ALS-2- \$1059.70

**Local Rate Study:**

- Average fees charged:

<u>Resident Fees:</u>	BLS -	\$570.38	ALS-1 -	\$666.13	ALS-2- \$783.13
<u>Non-Resident Fees:</u>	BLS -	\$882.05	ALS-1 -	\$988.80	ALS-2- \$1139.53

**Collection Rates and Revenue Sources**

Four areas of revenue sources were examined for ambulance billing. They are as follows:

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- Medicare – 2014 collection rate for Freeport 84%
- Medicaid – 2014 collection rate for Freeport 74%
- Insurance – 2014 collection rate for Freeport 84.5%
- Private pay/no insurance – 2014 collection rate for Freeport 7.2%

“Medicare and Medicaid pay a fixed rate regardless of the amount billed. Insurance coverage varies, but typically will pay “reasonable and customary” fees. Uninsured individuals, their collections have been poor. Increased fees will have no impact on the residents that can’t or won’t pay.”

**Proposed Changes for 2015 Rates:**

“Data obtained shows the City of Freeport ambulance fee rates are substantially below the “reasonable and customary” rates. Three independent studies showed that the ambulance billing rates for the City of Freeport could be increased \$300 per call for resident rates and \$400 per call for non-resident rates. This would place the City of Freeport within the average rate scale as indicated in the above studies. It is anticipated that the poor collection rates for Freeport uninsured individuals will continue. Taking a resident to collections would net 10% or less of the amount billed. The ambulance billing company would continue to invoice residents three times, then would turn the account over to the City for consideration (either write off or send to collections). Bills submitted to Medicare and Medicaid are paid by their adopted rate schedule, a local rate increase would not impact the amount collected by these two government entities. Private insurance claims are our highest percentage of paid invoices (84.5%). The proposed rate increases fall in the range of reasonable and customary fees.

“Our past year revenues were \$627,723.20.

“The anticipated annual revenue reflecting the rate increases is \$100,000. If the ordinance amendment is approved, the new rates could be implemented immediately or delayed until a specified date by the City Council.”

Aldersperson Boldt stated he has further questions that he would like discussed at the Committee of the Whole meeting. Aldersperson Boldt moved to send the ordinance to the Committee of the Whole meeting on Monday, April 13, 2015, seconded by Aldersperson Endress. Aldersperson Koester stated he does not understand the need to extend this out and sees no reason for delay.

Mayor Gitz asked for a roll call vote on the motion to send the ordinance to the Committee of the Whole meeting. The motion prevailed by a roll call vote of;

Yeas: Klemm, Boldt, Bush, DeVine, Endress, and Crutchfield (6)

Nays: Brashaw and Koester (2)

Mayor Gitz stated this will be discussed at the Committee of the Whole on Monday and if it comes back to council, it will be third reading of the ordinance because it was on the floor for passage this evening.

Aldersperson Klemm requested Fire Chief Scott Miller to provide a full report on Medicaid and Medicare payments and percentages on collected payment.



**ORDINANCES – FIRST READING**

**1<sup>ST</sup> READING OF ORDINANCE #2015-23:**

**AN ORDINANCE TO AMEND AND ADJUST THE APPROPRIATION ORDINANCE FISCAL YEAR 2014-2015 FOR THE CITY OF FREEPORT, ILLINOIS**

Finance Director Cynthia Haggard presented the ordinance and explained that because this document is contingent on fund movement through the end of the fiscal year (April 30, 2015), she could have further adjustments that need to be made to the Appropriation Ordinance at the next reading of the ordinance.

She stated the purpose of this amendment to the appropriation ordinance is to adjust expenditures exceeding the original budget by making transfers within the same department. If an expenditure category within a department or fund exceeds budget, amounts from an expenditure category that is well under budget in that department or fund is transferred to it. The end result is no impact on the department or overall budget. This amendment is typically presented during the Month of April. At this time the appropriation ordinance is amended and adjusted as follows:

- Office of Finance and Budget (Corporate Fund) transferring \$6,000 from Personnel Expense to Contractual Services and Capital Machinery and Equipment due to audit preparation and the acquisition of equipment for the new Director of Finance and City Accountant.
- Street Department (Corporate Fund) transferring \$7,000 from Personnel Expense to Supplies due to aging equipment and building repair.
- Community Development (Corporate Fund) transferring \$18,100 from Contractual Services to Personnel Expenses and Capital Machinery and Equipment due to equipment purchases.
- Brownfield Grant (Grant Fund) as specified in the ordinance
- 5311 Transportation Grant (Grant Fund) as specified in the ordinance to classify the state portion of the grant separately.
- Foreign Fire Insurance Fund transferring \$300 from Supplies to Contractual Services.
- Stormwater Fund transferring \$25,000 from Supplies and \$2,000 from Other Expenses to Personnel Expense and Contractual Services

Aldersperson Boldt moved for approval of the ordinance as presented, seconded by Aldersperson Brashaw. The ordinance was automatically laid over to the next meeting.

**1<sup>ST</sup> READING OF ORDINANCE #2015-24:**

**AN ORDINANCE TO SUPPLEMENT APPROPRIATION ORDINANCE FISCAL YEAR 2014-2015 FOR THE CITY OF FREEPORT, ILLINOIS**

Finance Director Cynthia Haggard presented the ordinance and stated the purpose of this supplemental appropriation is to account for expenditures exceeding the original budget appropriation, which is done annually prior to the end of the fiscal year. This supplemental is typically presented during the month of April. She noted the ordinance before council may have adjustments for the second reading to lower or increase the supplemental appropriation to align the supplemental appropriation to the actual expenditure total. The following Departments or Funds are impacted:

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- The Hearing Administration Department in the Corporate Fund had a slight increase in expenditures for contractual services of \$7,000. The City has experienced an increase in administrative hearings attributable to dog violations.
- The Capital Improvement Fund related to bike trails increased \$205,000 bringing the total to \$355,000. Although the Corporate Fund is funding the \$226,000 gap, the City Engineer is anticipating a receivable from local partners for that amount.

Alderson Brashaw asked for further information regarding the gap for funding bike trails. City Engineer Gallagher stated the Jane Addams Trail was set up with a line item for engineering set at \$200,000. There were expenditures that came in this fiscal year but not the revenues and the Illinois Department of Transportation needed to be paid. The partners on the Jane Addams Trail have been invoiced including the Freeport Park District, Orangeville, and Stephenson County but payments have not been received to date. He explained with this, along with the expenses because of the roundabout coming due at the same time, it necessitates this supplement to the appropriation ordinance in order to keep things in balance.

Alderson Boldt moved for approval of the ordinance as presented, seconded by Alderson Brashaw. The ordinance was automatically laid over to the next meeting.

**RESOLUTIONS**

**RESOLUTION #R-2015-10:**

**RESOLUTION FOR THE AGREEMENT BETWEEN CITY OF FREEPORT AND FEHR GRAHAM FOR CONSTRUCTION ENGINEERING SERVICES – 2015 MFT PROGRAM (SECTION NO. 15-00000-02-GM CRACK SEALING PROGRAM)**

City Engineer Gallagher stated the City of Freeport is entering into an Agreement with Fehr Graham and the State of Illinois for the 2015 MFT Crack Sealing Program consisting of improvements to various streets throughout the City of Freeport. Fehr Graham will perform Construction Engineering for a fee of 6% of the final construction costs, estimated at \$4,000.00. The City of Freeport retains the right to perform select services within the Engineering Agreement at no penalty or adjustment to the individual costs provided in the Agreement. City Engineer Gallagher stated he has asked Fehr Graham to inspect the streets and review calculations of quantity. Alderson Klemm moved for approval of Resolution R-2015-10, seconded by Alderson Koester. The motion prevailed by a roll call vote of;

Yeas: Klemm, Boldt, Bush, DeVine, Endress, Brashaw, Koester, and Crutchfield (8)

Nays: none

Resolution #R-2015-10 was adopted.

**RESOLUTION #R-2015-11:**

**RESOLUTION TO APPROVE A TAX INCREMENT FINANCING DISTRICT FUND EXPENDITURE PLAN – DOWNTOWN REDEVELOPMENT PROJECT AREA**

Shelly Griswold of Fehr Graham presented the resolution and summarized the plan for the Downtown TIF Expenditure Plan for 2015 listed as follows.

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**Downtown TIF - 2015 Expenditure Plan**

<b>AVAILABLE FUNDS</b>		<b>CY 15 Plan</b>
<b>Balance Dec 31<sup>st</sup></b>		<b>\$250,407.24</b>
<b>Tax revenue receipts and interest</b>		<b>\$254,211.80</b>
<b>Total Revenue Available</b>		<b>\$504,619.04</b>
<b>PLANNED EXPENDITURES</b>		
<b>25-00-544.01</b>	<b>Professional Services</b>	<b>\$133,093.88</b>
25-FDDF	FDDF, per anticipated 2015 City-FDDF agreement	50,000.00
25-TUTTY	Final design, Tutty's Crossing	20,000.00
25-HUD	2011 HUD Community Challenge Planning Grant match	43,093.88
25-UDE	Urban design and engineering	10,000.00
25-MISC	Misc legal and other professional services	10,000.00
<b>25-00-544.02</b>	<b>Marketing</b>	<b>\$20,000.00</b>
25-RAWL	Marketing for economic development and retail attraction and/or Rawleigh Bldg upgrades	10,000.00
25-EZONE	E-zone application (20% of est total application cost)	10,000.00
<b>25-00-544.03</b>	<b>Site Improvements</b>	<b>\$119,022.08</b>
25-ADAMS	Adams & Clark Street improvements	55,000.00
25-STEPH	25% of Stephenson St (500 block) reconstruction design	20,000.00
25-TUTTY	Tutty's Crossing Improvements, Phase I	8,000.00
25-TBPSI	Targeted public building and site improvements	\$36,022.08
<b>25-00-544.04</b>	<b>Rehabilitation</b>	<b>\$165,065.61</b>
25-2015G	CY 2015 Façade/Exterior grants and emergency structural work	50,000.00
25-MILW	Milwaukee Road railroad depot adaptive re-use	7,500.00
25-TSSR	Targeted structural/rehab repairs	107,565.61
<b>25-00-544.08</b>	<b>Financing Costs</b>	<b>\$67,437.47</b>
	City Lights debt	11,412.24
	Curb & Gutter debt	6,071.64
	Rawleigh Bldg debt	45,961.50
	Hampton Inn RDA	3,992.09
<b>Total Expenditures</b>		<b>\$504,619.04</b>
<b>Ending Balance</b>		<b>\$ -</b>

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Aldersperson Klemm moved for approval of Resolution R-2015-11, seconded by Aldersperson Brashaw. The motion prevailed by a roll call vote of;

Yeas: Klemm, Boldt, Bush, DeVine, Endress, Brashaw, Koester, and Crutchfield (8)

Nays: none

Resolution #R-2015-11 was adopted.

**RESOLUTION #R-2015-12:**

**RESOLUTION TO ADOPT A TAX INCREMENT FINANCING DISTRICT FUND EXPENDITURE PLAN – BURCHARD HILLS REDEVELOPMENT PROJECT AREA**

Shelly Griswold of Fehr Graham presented the resolution and summarized the plan for the Burchard Hills Redevelopment Project Area listed as follows.

Burchard Hills - 2015 DRAFT Expenditure Plan			
AVAILABLE FUNDS		CY 15 Plan	
Balance Dec 31 <sup>st</sup>		\$8,495.56	
Anticipated Tax Revenue and Interest		\$2,049.56	
Anticipated Total Revenue Available		\$10,545.12	
PLANNED EXPENDITURES			
28-00-544.01	Professional Services	\$	100.00
28-MISC	Misc legal and other professional services		100.00
28-00-544.02	Marketing	\$	-
28-00-544.03	Site Improvement	\$	-
28-00-544.04	Rehabilitation		-
28-00-544.08	Financing Costs		\$10,445.12
	Surplus distribution to other taxing bodies (NOTE 1)		\$1,011.12
	FHN redevelopment agreement		\$9,434.00
Total Expenditures			\$10,545.12
Ending Balance		\$	-

**Note 1: Includes \$487.73 surplus distribution for 2014 which was made February 2015**

Ms. Griswold explained that twenty-five percent (25%) of the incremental real estate taxes deposited in the Special Tax Allocation Fund for the Burchard Hills RDA is distributed to the Taxing Districts as provided by law and as described in Ordinance 2003-62 (Ordinance Mandating Annual Distribution of Surplus to Affected Taxing Districts) as passed by this City Council on September 2, 2003.

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Aldersperson Klemm moved for approval of Resolution R-2015-11, seconded by Aldersperson DeVine. The motion prevailed by a roll call vote of;

Yeas: Klemm, Boldt, Bush, DeVine, Endress, Brashaw, Koester, and Crutchfield (8)

Nays: none

Resolution #R-2015-12 was adopted.

**RESOLUTION #R-2015-13:**

**RESOLUTION TO AUTHORIZE AND APPROVE DOWNTOWN TIF BUILDING EXTERIOR IMPROVEMENT PROGRAM APPROVE**

Shelly Griswold of Fehr Graham presented the resolution and summarized the Downtown TIF Building Exterior Improvement Program. The program is summarized as follows:

This program is designed to provide financial incentives to preserve, restore, and rehabilitate the exterior features of buildings located within the Downtown Tax Increment Redevelopment (TIF) Area. The grants are provided in recognition of the positive impact that individual building rehabilitations can have on the longevity, structural stability, and overall appearance and quality of downtown buildings.

**Description:**

The City has allocated of \$50,000 for Building Exterior Improvement Grants for 2015. Funds not expended within the given year may be carried over and available in future years. The grant fund balance shall not exceed \$150,000.

The Building Exterior Improvement Program is intended to assist with the costs of rehabilitating the exterior elements and enhancing the outward appearance of downtown buildings. Under the program, property owners or business owners within the Downtown TIF area are eligible to apply for **grants of up to 50 percent of the total cost of qualified exterior rehabilitation, repair, or restoration work, for grants up to \$10,000.00, or \$15,000 for buildings with two street-facing facades**. All grant awards are subject to funds being formally appropriated by the City Council.

**Eligible Properties:**

**An eligible applicant must be the owner of the building or a business owner who is a tenant of the building for which the rehabilitation is planned.** Tenant applicants must provide written consent from the building owner for all proposed improvements and a copy of a lease with at least five (5) years remaining.

If more applications are received than current funding levels allow, the Mayor and/or his designee reserves the right to prioritize applications. Preference will be given to the following structures:

- Historic properties (buildings deemed contributing to the downtown historic district within the Downtown TIF District). Properties considered contributing to the historic district must adhere to the Secretary of the Interior Standards for Rehabilitation (see Appendix B).
- Non-contributing buildings that are changed to reflect the time period in which the building was constructed (inside or outside the historic district, but within the Downtown TIF District).

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- Non-contributing buildings, the redesign of which would significantly enhance the building and its surroundings (inside or outside the historic district, but within the Downtown TIF District).
- Major façade improvements greater in scope than items such as changing paint colors to a multi-color historic palette, adding or replacing a canopy, or replacing windows or doors.

Grant requests will be considered in the following weighted manner:

1. Commercial  
Zoning: B-1-1 through B-3
2. Manufacturing  
Zoning: M-1 through M-3

**Eligible Use of Funds:**

- Soft costs – design work, architectural, engineering, planning, and other professional fees
- Waste disposal
- Masonry work including restoration, gentle cleaning, and repointing
- Window and door restoration and window replacements that meet Secretary of Interior Standards for Rehabilitation
- Removal of non-original facing such as inappropriate siding, metal, etc.
- Restoration of existing architectural elements
- Painting, awnings, exterior lighting, window display areas visible from the street
- Roofing

**Improvements Not Eligible for Grant Funds:**

- Sandblasting of masonry surfaces will not be funded under the program nor will the program participate in any project which includes sandblasting
- The acquisition or creation of architectural elements which are not appropriate to the time period of the building
- Interior remodeling
- Improvements completed or in progress prior to notification of grant approval
- Purchase of furnishings or equipment that do not become part of the real estate

**Funding Requirements and Limitations:**

- Submitted information and project bid estimates (at least two bids for all work shall be submitted to the City) will be reviewed by the Community Development Department. The City reserves the right to reject any and all proposed work that does not meet the program guidelines.
- Projects must be completed within one year of the issuance of a Letter of Commitment from the City Council. The City Council reserves the right to allow a reasonable extension of this time limit upon receiving a written request from the applicant.
- Labor or sweat equity performed by the owner, friends, relatives, etc. cannot be used as a portion of the cost incurred in the improvement project.

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- Labor costs will be reimbursed only if performed by a licensed and insured contractor. Proof of liability insurance as per city code and proof of workers compensation insurance are required.
- Soft costs incurred within one year prior to the issuance of the Letter of Commitment that directly relate to the façade project are eligible for reimbursement under the terms of this grant. Prior soft costs must be included in the original grant application for approval. Rehabilitation work started before written approval of the grant application is obtained from the City Council is ineligible for reimbursement.
- Properties must be up-to-date on property taxes in order to be eligible for a Façade Improvement Grant.
- Properties must pass a health and safety code inspection by the City Building Inspector and Fire Inspector in order to qualify for a Grant.
- All work must comply with applicable local, Federal and State laws and regulations, including those pertaining to the payment of Prevailing Wages. Submittal of documentation of prevailing wage compliance shall be a requirement for any reimbursement under this grant program.

Ms. Griswold explained that she has included wording so that 50% of project costs not to exceed \$10,000 or \$15,000 for buildings with two street-facing facades.

Aldersperson Klemm moved for approval of Resolution R-2015-13, seconded by Aldersperson Endress. The motion prevailed by a roll call vote of;

Yeas: Klemm, Boldt, Bush, DeVine, Endress, Brashaw, Koester, and Crutchfield (8)

Nays: none

Resolution #R-2015-13 was adopted.

**OTHER**

**Reports of Department Heads**

**City Engineer**

**Approval of 2015 Crack Sealing Bids as opened on March 31, 2015**

City Engineer provided a memorandum which stated on March 31, 2015, the City of Freeport held a bid opening for this year's Crack Sealing Program. The two (2) bids were submitted by SKC Construction, Inc. and Behm Pavement Maintenance. The apparent low bid was submitted by SKC Construction, Inc. for the amount of \$66,678.63.

The following was noted by the Illinois Department of Transportation (IDOT) prior to bidding: "Due to the possibility of a bid complaint for your agency's project, as it relates to the "Apprentice or Training Program Certification," the department will not concur with the award of any contract until the eight calendar day following the letting; therefore, the local authority shall not proceed with the award for eight (8) calendar days."

Based on this low bid, it is the recommendation of City Engineer Shaun Gallagher to award contract 15-00000-02-GM to SKC Construction, Inc. for \$66,678.63 barring any bid protest in the eight (8) calendar days following the bid opening, as allowed by IDOT.

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Aldersperson Koester moved for approval City Engineer Gallagher's recommendation of the bid for \$66,678.63 for SKC Construction barring any bid protest in the eight calendar days following the bid opening, seconded by Aldersperson Klemm. The motion prevailed by a roll call vote of;

Yeas: Klemm, Boldt, Bush, DeVine, Endress, Brashaw, Koester, and Crutchfield (8)

Nays: none

Aldersperson Boldt asked about the use of the Water and Sewer letterhead on this bid memo. City Engineer Gallagher stated he is a half-time employee of the Water and Sewer and the other half for the City. He assured the council that this project is not paid by Water and Sewer funds and instead is paid out of Motor Fuel Tax fund. He sometimes flips back and forth on letterhead.

City Engineer Gallagher stated he is publishing bid specification for mowing and herbicide spraying and, although they can be bid separately, it is published under one cover for cost savings. The bids are due April 16, 2015 and so it will be on for approval at the next council meeting.

**Community Development**

Shelly Griswold stated she had no further report for Community Development.

**Finance Department**

Finance Director Cynthia Haggard had no further report.

**Public Works**

Public Works Director Tom Dole stated the crews are out working on the streets by filling pot-holes, street sweeping and tree trimming. He asked residents to be aware of work zones and cones and to be watchful of the workers.

**Library**

Carole Dickerson, Freeport Public Library Director, had no report this evening.

**Fire**

Fire Chief Scott Miller had no further report.

**Police**

Chief of Police Todd Barkalow stated the Police Department is accepting applications for testing for police officers and information can be found on the Police Department page of the City of Freeport website at [www.cityoffreeport.org](http://www.cityoffreeport.org). Applications can be submitted until the first of June and testing will begin shortly thereafter.

**Water and Sewer**

Water and Sewer Director Tom Glendenning had no further report.

**MAYOR'S REPORT**

Mayor Gitz provided his thanks to the staff for their work. He also thanked Shaun Gallagher for the work he has done to bring forth the crack sealing program as a maintenance prevention program. He again thanked the volunteers who assisted in the rehabilitation of the Albertus Airport office. He explained the rehab status of the Albertus Airport hangar that was damaged in the storm. He stated they are working on



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a way to have the building taken down with no cost to the City. He explained there have been some legal hoops to jump through with the IEPA and every effort has been made to keep it moving.

Mayor Gitz and the Human Resource Manager are busy vetting application for the Community Development Director and they are now in the review process. He may ask for assistance of the council before moving forward on the top candidates.

**OTHER**

**COUNCIL ANNOUNCEMENTS**

Council members were provided an opportunity to discuss matters of public concern or to make announcements for their wards. Members of the council encouraged residents to vote April 7, 2015 for both the aldermanic and school board elections.

Aldersperson Brashaw recommended citizens to adopt a street in order to assist our crews in keeping the City clean and safe. She requested signs for political parties be removed the day after the election.

Aldersperson Koester concurred that citizens should adopt a street in order to keep our neighborhoods looking clean and keeping trash picked up.

**PUBLIC COMMENTS AGENDA OR NON-AGENDA ITEMS**

Tom Teich, Freeport, Illinois, spoke about a birthday for his friend Maria. He encouraged people to vote.

**CLOSED SESSION (EXECUTIVE SESSION)**

The following was read aloud: "An Executive Session is called pursuant to 5 ILCS 120 (c) (2) Collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees."

At 7:23 p.m., Aldersperson Brashaw moved to enter executive session (closed session), seconded by Aldersperson Endress. The motion prevailed by a roll call vote of;

Yeas: Klemm, Boldt, Bush, DeVine, Endress, Brashaw, Koester, and Crutchfield (8)

Nays: none

At 7:54 p.m., Aldersperson Bush moved return from executive session (closed session), seconded by Aldersperson Brashaw. The motion prevailed by a roll call vote of;

Yeas: Klemm, Boldt, Bush, DeVine, Endress, Brashaw, Koester, and Crutchfield (8)

Nays: none

There were no action items upon return from executive session.

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

s/ Meg Zuravel

Meg Zuravel, City Clerk