



City Council

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

MINUTES REGULAR MEETING Monday, July 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 July 20, 2015.

ROLL CALL

Present on roll call: Mayor Gitz and council members Tom Klemm, Peter McClanathan, Art Ross, Jodi Miller, Patrick Busker, Sally Brashaw, Michael Koester and Andrew Chesney (8). Corporation Counsel Sarah Griffin was also present.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Alderperson Koester.

APPROVAL OF AGENDA

Prior to a motion for approval of the agenda, Mayor Gitz requested leave of council to move forward several items on the agenda. He stated he would like to move forward items 10, 11, 12, 14, and 15 due to a consultant and guest being present. He stated these items will be presented after item number 4. Alderperson McClanathan moved for approval of the agenda as amended, seconded by Alderperson Brashaw. Motion prevailed by voice vote without dissent.

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The minutes of the regular meeting held on July 6, 2015 and the special meeting held on July 6, 2015 was presented for approval. Alderperson Brashaw moved for approval of minutes, seconded by Alderperson McClanathan. Motion prevailed by voice vote without dissent.

PUBLIC COMMENTS – AGENDA ITEMS

Steve Carroll, 811 S. Oak, Freeport, Illinois, provided a copy of an email dated May 20th from regarding Landlord Training. He read aloud from a paragraph from Brad Hartog to Alderperson Brashaw. It described landlord training issues being faced by the Freeport Area Landlords Association. Mr. Carroll stated he finds it rather unusual that FALA (Freeport Area Landlords Association) seems to feel they can train landlords when, quite frankly, they need to clean up their own house.

CONSENT AGENDA

The following remaining 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) City Treasurer's Monthly Investment Report for period ended June 30, 2015
- 2) City Treasurer's Report of Cash and Fund Balances for period ended June 30, 2015

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- B. Approval of Motor Fuel Register #0065 --- \$6,735.75
- C. Approval of Water and Sewer Bills Payable (Registers #379, 382) --- \$151,312.09
- D. Approval of Payroll for pay period ending July 11, 2015 --- \$402,634.81
- E. Approval of Finance Bills Payable (Registers #378, 380, 381, 383) --- \$336,885.95
- F. Approval of Resolution R-2015-41: Resolution to Request Temporary Closure of Streets Colby Smith Memorial 4-Mile Classic – August 22, 2015

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

Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (8)

Nays: none

The next five items were moved forward on council agenda prior to approval of the agenda.

The following was item ten on the agenda:

1ST READING OF ORDINANCE #2015-38:

SPECIAL ORDINANCE FOR VARIATION, PERMIT OR AMENDMENT OF CODIFIED ORDINANCES OF FREEPORT, ILLINOIS

An application for Veterans Foreign Wars for the property located at 1802 E Shawnee St., PIN #18-14-33-302-001. The relief sought by the documents on file: zoning map amendment from R-3 (One Family Residence) to B1-1 (Restricted Retail Business District). This ordinance was unanimously recommended to council by the Planning Commission in their meeting held on July 15, 2015 and there were no written objections of the petition. Shelly Griswold, Community Development consultant, presented the findings from the Planning Commission. She stated the Mosely Loewe VFW wishes to install an outdoor patio facing the river where they would serve food and beverages, including alcoholic beverages. The minutes from the Planning Commission meeting provided the patio would face the river and would be 38 to 40 feet in length and 18 to 20 feet in width as presented by the VFW representative with an ingress and egress from inside the restaurant only. Ms. Griswold explained that the VFW is located in the Arcade neighborhood and it was zoned residential even though the club has operated since 1931. They have had a liquor license for a long time and that liquor license has existed as a legal non-conforming use because it is in a residential area. The VFW intends to have an outdoor seating area on their property attached to their building and that as the code is written would be an expansion of a legal non-conforming use. The VFW has requested to change the zoning from residential to commercial amending the zoning map from R-3 to B1-1. The Planning Commission unanimously recommended approval.

Aldersperson Brashaw moved for approval of the ordinance as presented, seconded by Aldersperson Ross.

Aldersperson Klemm stated he will abstain from voting as a trustee for the VFW. Aldersperson Brashaw stated that at the Planning Commission meeting it was discussed the layout for the outdoor seating area and it will accommodate 48 persons and this has a public service. Aldersperson Koester asked if this was going to be a fenced in area. Mayor Gitz stated the area would be fenced in to comply with the liquor code because the only area which does not need to be fenced in to serve alcohol is the in the downtown area. Mayor Gitz stated this has been planned for some time now and the only way to accommodate outdoor seating is to pass a non-conforming use as you will see in the next ordinance. Aldersperson Ross stated his support and had no concerns.

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The motion for passage of the ordinance prevailed by a roll call vote of;
Yeas: McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (7)
Nays: none
Abstain: Alderperson Klemm (1)
Corporation Counsel Griffin stated the abstaining vote goes to the majority.
Ordinance #2015-38 was passed.

1ST READING OF ORDINANCE #2015-39:

SPECIAL ORDINANCE FOR VARIATION, PERMIT OR AMENDMENT OF CODIFIED ORDINANCES OF FREEPORT, ILLINOIS

An application for Veterans Foreign Wars for the property located at 1802 E Shawnee St., PIN #18-14-33-302-001. The relief sought by the documents on file: a Special Use Permit to allow a restaurant with an outdoor serving area, including the serving of alcoholic beverages. This ordinance was unanimously recommended to council by the Planning Commission in their meeting held on July 15, 2015 and there were no written objections of the petition. Ms. Griswold presented the ordinance explaining that a special use permit is needed by the VFW because the only commercial classification that does not require a special use permit for liquor is a B-3, but that is also the most intensive commercial zoning district and the City did not feel it was appropriate standing alone next to residential. The special use permit is the second requirement they need in order for them to get their outdoor liquor license. Alderperson Brashaw moved for approval of the ordinance as presented as ratified by the Planning Commission, seconded by Alderperson Koester. The motion for passage of the ordinance prevailed by a roll call vote of;
Yeas: McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (7)
Nays: none
Abstain: Alderperson Klemm (1)
Corporation Counsel Griffin stated the abstaining vote goes to the majority.
Ordinance #2015-39 was passed.

1ST READING OF ORDINANCE #2015-40:

SPECIAL ORDINANCE FOR VARIATION, PERMIT OR AMENDMENT OF CODIFIED ORDINANCES OF FREEPORT, ILLINOIS

An application for Joey Taggart for the property located at 1142-1142 1/2 S. Adams Ave., PIN#18-19-05-203-002, the relief sought by the documents on file is a zoning map amendment change from M-1 (Limited Manufacturing) to R-5 (Two Family Residence). This ordinance was unanimously recommended to council by the Planning Commission in their meeting held on July 15, 2015 and there were no written objections of the petition. Ms. Griswold presented the ordinance stating that the property while zoned manufacturing is residential as a legal non-conforming use. She noted the other properties in the area are zoned as R-5 as well. The need for the zoning change arose when the petitioner wanted to build a garage. The Planning Commission determined that rezoning the property residential is consistent with its long standing residential use and will enable Mr. Taggart to build a garage. Alderperson Brashaw asked whether this property has been a private residence and Ms. Griswold stated it has been for many years long enough so that it has preceded the zoning code as a legal non-conforming use. The minutes from the Planning Commission provided that the garage will be 15 feet in height. Alderperson Koester moved for approval of the consent agenda as presented, seconded by Alderperson McClanathan. The motion prevailed by a roll call vote of;
Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (8)

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Nays: none

Ordinance #2015-40 was passed.

The next item was number 14 on the council agenda and moved forward on the agenda:

RESOLUTION #R-2015-42: RESOLUTION TO APPROVE THE FREEPORT ALBERTUS AIRPORT FIXED BASE OPERATOR LEASE AND MANAGEMENT CONTRACT

Mayor Gitz requested Ms. Griswold to present as the Airport Commission chairperson. Mayor Gitz stated this contract was vetted by the Committee of the Whole last week and there was full presentation at that time. Alderperson Chesney requested this item be laid over to the next meeting to allow for further review. Freeport Albertus Airport Fixed Base Operator and manager was asked to comment. Mr. Darrell Janssen stated he can operate under the existing contract under the extension. He noted all his insurance as required by the City changes as of August 19, 2015 and he must lock in a year and pay up front for a year for insurance for his operations so that if we had a problem with the contract after that, he would be losing money plus the operating of other items. Alderperson Chesney made a motion to lay the resolution over to the August 3, 2015 council meeting, seconded by Alderperson Miller. Alderperson Brashaw asked if Mr. Janssen was pleased with the contract. Mr. Janssen stated he did not get everything he wanted. He was operating under a contract that did not give him everything that he wanted or what was promised so he had to incur costs which he thinks he should be compensated for. He stated renewing the contract as is with just the 5% that should have been voted on anyway because he qualified under the criteria of what he needed to do in that year period is about the bare minimum contract you are going to get.

Alderperson Koester asked about the progress to fill hangars and steps taken to fill them. Mr. Janssen explained that due to poor economic times he has had issues filling hangars at the Albertus Airport. This economic time has been difficult to the aviation industry. When one hangar gets filled by a new client and he loses another. He recently lost two due to death of owners and he is trying to sell their airplanes. He has many contacts and tries his best to fill the hangars. Some of the businesses and hangar tenants were to the fault of the City. Some have come back. He and the administration have had a collaboration to move forward and his goal is to relocate a business from the Rockford airport to Freeport. He explained any business relocating would need to have newly constructed hangar. He recommended having a basic plan; to have a contract made up and land leases that would be available should businesses be interested. He noted they do have space available. Alderperson Koester asked how this plan would be made up. Mr. Janssen stated the plan would need to be created by the Airport Commission and approved by the council.

Upon no further discussion, Mayor Gitz requested a voice vote to approve the motion on the floor. The motion to lay over the resolution prevailed by a voice vote without dissent.

Mayor Gitz stated the next item while Ms. Griswold is present is the Downtown Exterior Grant recommendation.

2015 DOWNTOWN BUILDING EXTERIOR GRANT AWARDS

Ms. Griswold provided a written memorandum in the council packet for the 2015 Downtown Building Exterior Grant Award as follows:

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“This spring, the City of Freeport solicited applications for Downtown Building Exterior Grant applications. The Community Development Department sent information on the program to owners of all buildings located within the downtown historic district. In addition, we shared the information with Freeport Downtown Development Foundation, which agreed to share the information with downtown owners and businesses.

“Monday, July 6, 2015 was the closing date for grant applications. The City received a total of six applications. Following a staff review of the applications, a team met to score and rank the applications and make recommendations for awards. Those invited to participate in the scoring included Art Ross, 3rd Ward Alderman, Danielle Rogers, Freeport Downtown Development, Historic Preservation Commission Vice-chair Michael Meade, Mayor Jim Gitz, City Engineer Shaun Gallagher, and Community Development Consultant Shelly Griswold.

“The applications were scored against the following four criteria:

1. Scope of overall project/ consideration for projects that are part of a larger rehabilitation project;
2. Impact on the historic character of downtown Freeport;
3. Potential impact on property and/or sales tax revenue; and
4. Importance to the structural integrity and longevity of the building.

“Each application was scored on a scale of 1-4 for each of the four factors, and the recommendations include the grant applications that scored highest.

Grant Award Recommendations				
Address	Owner	Project Description	Project Total	Recommended Grant Total
18 S Galena Ave	Freeport Home Medical Equipment	Storefront improvements; new windows; power washing and painting of all building facades; awning	\$23,660	\$10,000
9-15 N Van Buren	Ron London	Repair/reconstruction of parapet wall and associated roof repairs	\$49,390	\$15,000
1 W Stephenson St	Gary Fontana	Masonry repair; new awnings; design fees	\$33,707	\$15,000
16 W Stephenson St	James Lohman	Masonry repair; painting; awning	\$18,150	\$9,075

Discussion was held on the grant dollars available. Ms. Griswold stated that is the full allocation of grant dollars that are available excepting a few hundred dollars. Alderperson Chesney asked if an applicant was a chronic violator of City ordinances is that taken into account for the approval or denial of these applicants. Ms. Griswold explained one of the qualifiers is that they cannot owe the City any money so that if they had an outstanding ordinance violation, they could not be considered for it. She added none of these are chronic violators. He then asked if they have had violations in the past would that be weighted. Ms. Griswold stated it is not weighted what happens is they do not get a grant agreement until they do not owe the City any money, whether it is an outstanding water bill, code violation, or an outstanding liquor license fee, the City would not sign the grant agreement with them until they pay their fines. Alderperson Koester stated that if the applicant was a violator in the past but had paid but just because they have had previous past violation could that be used as a disqualifier. Ms. Griswold stated that is not written into the program this year. She added that could be added for next year. Alderperson Koester recommended putting that in there to be able to track people so we can use that as leverage to try to straighten out.

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Aldersperson Brashaw made a motion to move forward with approval the four recommendations for the downtown building exterior grant award, seconded by Aldersperson Miller. Aldersperson Klemm asked about the grant and what is included. Ms. Griswold stated the City used to do only front facades and then it was expanded to improve the structural integrity of the building including roofs and walls on the sides and it has changed the character of it. She stated it was expanded to do things to assist with the structural integrity of the building.

Mayor Gitz stated this is an authorized use of TIF funds.

Upon no further discussion, the motion prevailed by a roll call vote of;

Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (8)

Nays: none

Mayor Gitz stated next we moved forward item number 15.

RESOLUTION #R-2015-43:

RESOLUTION TO AUTHORIZE SIGNING OF A CONSULTING SERVICE AGREEMENT TO PREPARE AN APPLICATION FOR THE OPERATION OF AN ENTERPRISE ZONE

Mayor Gitz stated this agreement and the corresponding resolution was presented and reviewed at the Committee of the Whole. Mr. Gary Quinn was present as a representative of the Enterprise Zone Committee. He stated the Jo Daviess County Board and the Stephenson County Board have provided their approval to enter into the contract. The Village of Hanover is having it presented this evening as is Freeport. East Dubuque and Village of Lena will have it presented later this week or next week.

The resolution provided the Enterprise Zone Committee has sought the professional services of Opportunity Alliance LLC to help in the preparation and submittal of an application, seeking a new enterprise zone. The Enterprise Zone Committee has negotiated a contract in the amount of \$7,500 per month for 16 months and up to \$3,000 total reimbursement for reasonable and documented out-of-pocket pre-approved expenses for Consulting Services Agreement with Opportunity Alliance LLC.

The Aldersperson McClanathan moved for approval the resolution as presented, seconded by Aldersperson Klemm. The motion prevailed by a roll call vote of;

Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (8)

Nays: none

Resolution R-2015-43 was adopted.

Mayor Gitz stated we will continue with other items on the agenda.

COMMUNICATIONS TO COUNCIL

Memorandum regarding a recently opened bank account for Water and Sewer utility deposits

Director Glendenning explained the need to open a separate bank account at US Bank and it will be titled Security Deposit Liability. The memorandum stated the money is to be held in restricted account as the deposits are a liability to the City. He stated there is constant activity going in and coming out so it is a high managed account versus pulling all that money at once out of the account we are actually using

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savings from our bond refinancing and establishing a positive liability account. It will take the commission a couple of years to build that up to equal that for deposit money going in and out. Alderperson Brashaw moved to place the memorandum on file, seconded by Alderperson Klemm. Motion prevailed by voice vote without dissent.

Memorandum on Response to Request for Proposals for Airport Engineering Services

Mayor Gitz stated that a memorandum was provided by Shelly Griswold as chairperson of the Airport Commission. He explained that City is required by the Illinois Department of Transportation Department of Aeronautics to periodically go out for RFP for airport engineering consultants. It will be the intention to seek a formal recommendation from the Airport Commission to negotiate a renewal of the City's agreement with Crawford Murphy and Tilly (C.M.T.). If that recommendation is made, the commission will work to craft a renewal agreement to present to council this summer. Alderperson Koester made a motion to place the memorandum on file, seconded by Alderperson Klemm. Motion prevailed by voice vote without dissent.

2015 Biennial Bridge Inspections dated June 16, 2015

City Engineer Shaun Gallagher provided the 2015 Biennial Bridge Inspections dated June 16, 2015 as performed by McClure Engineering Associates, Inc. regarding Van Buren Avenue Bridge, S. Hancock Avenue, and Park Drive, (also known as the Gladewood Bridge). The inspection on the bridges was performed on May 27 and 30, 2015. The letter serves as summary of the findings from the recent visual inspection and provides a brief recommendation for current and future maintenance and repair. Each structure was inspected and the current condition was documented with digital photographs. The individual inspection assessment item conditions were updated on the BBS-BIR Routine Inspection Report form and electronically submitted to the IDOT Local Roads Office as required.

City Engineer Gallagher stated he provided this document to the council so they will have a chance to review and he will go into it in more detail in the August or September Committee of the Whole as we talk about infrastructure planning. He can have McClure Engineer available for that meeting. At that time we can discuss repair costs and replacement costs on a larger scale. Discussion was held on the Gladewood Bridge to keep options available biking and walking. City Engineer explained the Hancock Bridge will need to have reconstruction of the bridge deck and the City will need to begin planning for a major rehabilitation/replacement of the structure.

Alderperson McClanathan made a motion to place the document on file, seconded by Alderperson Klemm. Motion prevailed by voice vote without dissent.

EXECUTIVE SESSION (CLOSED SESSION) PURSUANT TO 5 ILCS 120/2 (c)

Mayor Gitz read the following exceptions into the record:

- 1) The appointment, employment compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity.
- 2) Collective negotiation matters between the public body and its employees or their representatives or deliberations concerning salary schedules for one or more classes of employees.

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At 6:52 p.m., Alderperson Klemm moved to enter executive session for the above stated exceptions, seconded by Alderperson Brashaw. The motion prevailed by a roll call vote of;
Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (8)
Nays: none

At 7:31 p.m., Alderperson Klemm moved to return from executive session, seconded by Alderperson McClanathan. The motion prevailed by a roll call vote of;
Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (8)
Nays: none

At this time Mayor Gitz stated the council will take a brief recess (approximately three minutes). At 7:36 p.m., the council resumed regular business beginning with item number 6.

SPENDING PLAN AND APPROPRIATION DISCUSSION

Finance Director Cynthia Haggard explained that Mayor Gitz had provided an email since the Committee of the Whole meeting held on July 13, 2015. In the email, the administration is recommending the following amendments to the spending plan and appropriation ordinance. The document was also provided to the council members as follows:

Due to Committee of the Whole 7/13/15 recommendations:

ITEM A – (**MAYOR'S OFFICE**) VOTED TO MOVE FORWARD \$1,500 REDUCTION (**Mayor Requests restoration**)
ITEM B – VOTED DOWN OR REMOVED
ITEM C – VOTED DOWN OR REMOVED
ITEM D – VOTED DOWN OR REMOVED
ITEM E – (**LEGAL DEPARTMENT**) VOTED TO MOVE FORWARD \$1,000 REDUCTION (**Mayor Requests restoration**)
ITEM F – (**STREET DEPARTMENT**) VOTED TO MOVE FORWARD \$5,000 REDUCTION (**Mayor Requests restoration**)
ITEM G – VOTED DOWN OR REMOVED
ITEM H – VOTED DOWN OR REMOVED
ITEM I – VOTED DOWN OR REMOVED
ITEM J - (**COMMUNITY DEVELOPMENT**) VOTED TO MOVE FORWARD \$9,400 REDUCTION
ITEM K - VOTED DOWN OR REMOVED
ITEM L - VOTED DOWN OR REMOVED
ITEM M - VOTED DOWN OR REMOVED
ITEM N - (**CAPITAL EQUIPMENT FUND**) VOTED TO MOVE FORWARD \$27,500 REDUCTION
ITEM O - (**CAPITAL EQUIPMENT FUND**) VOTED TO MOVE FORWARD \$106,500 REDUCTION (**Mayor Requests restoration**)
ITEM P - (**FIRE IMPROVEMENT FUND**) VOTED TO MOVE FORWARD \$5,000 REDUCTION
ITEM Q – (**MOTOR VEHICLE FUND**) VOTED TO MOVE FORWARD \$350,000 INCREASE 19-0-730
 (**MOTOR VEHICLE FUND**) VOTED TO MOVE FORWARD \$269,000 INCREASE 19-0-955 (**Possible removal**)
 (**INTERDEPARTMENTAL**) VOTED TO MOVE FORWARD \$269,000 INCREASE 01-63-955 (**Possible removal**)
ITEM R - (**MANAGEMENT INFORMATION SYSTEM**) VOTED TO MOVE FORWARD \$15,000 INCREASE
ITEM S - (**INTERDEPARTMENTAL**) VOTED TO MOVE FORWARD \$2,500 INCREASE
ITEM T - (**INTERDEPARTMENTAL**) VOTED TO MOVE FORWARD \$191,605.16 INCREASE (**Possible removal**)
ITEM U - (**POLICE DEPARTMENT**) VOTED TO MOVE FORWARD \$37,000 DECREASE

In the document, Director Haggard had calculated the aggregate changes to the above stated items.

Aggregate changes:

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Fund 01			
Revenues			
	FY 2016 Spending Plan		FY 2016 Appropriation
	Revenues		Revenues
399	\$ 17,138,133.90	\$	17,103,133.90
999.1	\$ 2,702,417.46	\$	2,952,417.46
	\$ 19,840,551.36	\$	20,055,551.36

Fund 01			
Expenditures and Restricted Revenue			
	FY 2016 Spending Plan		FY 2016 Appropriation
399	\$ (600,000.00)	\$	(600,000.00)
499	\$ 14,265,560.72	\$	15,416,709.72
599	\$ 1,419,621.00	\$	1,480,321.00
699	\$ 945,790.00	\$	963,790.00
799	\$ 2,883,100.00	\$	3,133,100.00
949	\$ 34,000.00	\$	34,000.00
999	\$ 682,784.53	\$	951,784.53
	\$ 19,630,856.25	\$	21,379,705.25
NET	\$ 209,695.11	\$	(1,324,153.89)

FUND BALANCE Analysis			
FY2014 General Fund Balance	\$	5,539,396.00	
FY2015 Pre-audit Change		455,000.00	
FY2015 Pre-audit General Fund Balance	\$	5,994,396.00	
FY2016 Proposed Change		(1,324,153.89)	
FY2016 Proposed Ending Fund Balance	\$	4,670,242.11	
Fund Balance Reserve			21.84%

Director Haggard stated the following changes are recommended as elicited in the Mayor's Email to council members last week:

"Reduce the City Hall Debt Proceeds by \$300,000 if no repairs are to be made. We can market the building and worry about incentives/repairs later. I suggest keeping \$2.2 million for the Carnegie building in case we need a little more than \$2,000,000 to make the project work."

- Reduce 1-00-395 "Bond proceeds" \$300,000 from \$2.5M to \$2.2M
- Reduce 1-42-700 "Capital Outlay" \$300,000 from \$2.5M to \$2.2M
- Reduce 1-98-914 "Transfers to Debt Service Fund 40" \$20K from \$170K to \$150K
- Reduce 40-98-914 "Transfer from Corporate" \$20K from \$377,480 to \$357,480
- Reduce 40-00-710 "Loan for Operating" \$20K from \$213,500 to \$193,500

Director Haggard explained that because of the above stated amendments, the change to General Fund Spending Plan would provide for a \$20,000 decrease and total impact on General Fund Appropriation would be the same \$20,000 decrease.

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Council discussed the repairs that would need to be made to the Carnegie Library building and whether the project would require \$2.0 million or \$2.2 million and whether that would be enough. It was recommended to have a bid providing a good, better and best scenario because right now before the asbestos abatement is moved forward and an architectural plan is drawn up the exact amounts will not be known.

Corporation Counsel Griffin stated that as she has heard the council they are recommending through consensus that it would take the spending plan to \$2.2 million, it would add \$75,000 in contingency for possible repairs coming up with a total appropriation number and at the time of bond issuance (you can't keep something in contingency at that time) so basically that would be when the decision would be made at the time of bond issuance. The actual general fund impact where right now is showing a \$20,000 decrease, that is really not going to change a whole lot but it changes to concepts underlined.

Mayor Gitz explained that item number 7 is the actual second reading of the appropriation ordinance and we can have separate motions to change the line items so that change can be made to the line item, to the category and then the total appropriation; unless we have an agreed package. Discussion was held that the items presented in the Committee of the Whole are recommendations to council and unless there is a motion, second and passage by majority they are not placed as an amendment into the spending plan or the appropriation ordinance and then Director Haggard would need to leave the meeting and make those amendments so they can be passed on council floor. Mayor Gitz stated a separate issue is the spending plan, but the appropriation ordinance is time sensitive. He explained the appropriation ordinance is on the floor and will have a second reading under item seven.

The next item discussed was reduction of the Medical Plan contingency by \$200,000 because changes in medical plan should save money and reduce claims. It was explained that we are highly unlikely to need a full \$700,000 in contingency to fund claims. To my knowledge this has not happened. A \$500,000 contingency is still very ample.

- Reduce 61-00-390 "Employer Share – Health & Life City" \$400,000 from \$3,153,358.72 to \$2,753,358.72
- Reduce 61-00-463 "Healthcare Claims" \$400,000 from \$3,247,729.00 to \$2,847,729.00
- Reduce 1-63-451 "Group Insurance" \$400,000 from \$3,153,358.72 to \$2,753,358.72

Director Haggard explained because of the above stated change, it would amend the General Fund Spending Plan \$200,000 decrease; Change to General Fund Contingency \$200,000 decrease for a total impact on General Fund Appropriation in an amount of \$400,000 decrease. She explained what she is budgeting for is 80% of the max claims which was recommended by the third party administrator. She is comfortable with moving \$200,000 decrease in the spending but another \$200,000 out of contingency is too aggressive. Alderperson McClanathan stated he agreed with taking the \$200,000 out for healthcare expenses and he recommended adopting Director Haggard's recommendation of the \$200,000 on the Spending Plan pursuant to the reasons previously given to council. Alderperson Koester asked if the changes implemented recently for the increased costs to healthcare for employees if those were taken into consideration for the numbers. Mayor Gitz stated all the numbers for healthcare are contingent upon those changes being adopted. We expect it to change claims and the revenue going into that fund but will it cover everything – no. It will start to reverse the hemorrhaging that we have been going through. Director

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Haggard stated she will provide to council financial reports and if this is trending that we do not have enough money set aside to cover these funds, she will need to come back to the council and ask for a supplemental appropriation. Alderperson Koester asked if she would have to take monies from somewhere else to supplement. Director Haggard stated yes probably from the general fund. Alderperson Koester recommended bringing the number down to \$100,000. Director Haggard stated she is comfortable bringing the spending plan down by \$200,000; but not in the contingency.

Mayor Gitz stated that the council asked for options and the administration feels these are a bunch of bad ideas but we were asked for options to reduce the contingencies. He has supplied you with the least venturesome cuts because that was what he was asked to do and he is not endorsing them. Some of them make some sense and some don't. Putting the spending plan \$200,000 down for medical, that helps our budget. There are some reimbursement we are expecting from Medicare.

Director Haggard stated the next item was "item T" as discussed in the Committee of the Whole meeting. It was to cut the Personnel Contingency of \$191,000 requested increase. You could do a supplemental once these issues are settled. The increase has a cushion that may work against negotiations anyway. Director Haggard explained this would:

- Reduce 1-63-498 "Personnel Contingency" \$191,000 from \$337,900 to \$146,900

Director Haggard explained because of the above stated change, Change to General Fund Contingency \$191,000 decrease; Total Impact on General Fund Appropriation in an amount of \$191,000 decrease. She stated this was requested to be raised and at this point she has requested to withdraw it. Corporation Counsel stated that this is with the knowledge that the number is a stab-in-the-dark and that it does not make it go away but we will ask for supplemental as different classes of employees ordinances comes to the City Council. She noted we do not know what that true number is. Mayor Gitz stated if those agreements are very modest will be making the change is modest. He stated that he has heard the concerns of the council and since there is so many unknowns in this, then delete if for now and come back when we get done to know what our cash position is as to what we can afford and amend the spending plan or a supplemental.

The next item discussed was the financing of the parking lot owned by the City and leased to Newell. This was referred to as the Newell Parking lot. Mayor Gitz stated this change makes it cost neutral. Director Haggard stated we had provided a funding option to pay for this and we were going to use reserve cash which would lower the general fund. This is being withdrawn so this would not take funds from reserves to pay for the cost of rehabilitation of the lot. This would have a positive impact of \$269,000 in terms of appropriated funds. If properly structured, there would be no impact on this budget. The special fund from lease receipts can pick up initial payments. We can also draw on TIF. The point is there are options. Director Haggard explained this would:

- Reduce 1-63-955 "Transfer to Motor Vehicle Fund 19" \$269,000 from \$269,000 to \$0.00

Director Haggard explained because of the above stated change, has an effect on the General Fund Contingency \$269,000 decrease; Total Impact on General Fund Appropriation \$269,000 decrease.

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Aldersperson Chesney stated he would like to take the parking lot out of the budget so he has time to hear from the downtown as to how they feel about the cost of rehabilitation for a parking lot and if we have to we can do a supplemental so he recommends removing it entirely.

The next item discussed was to reduce Fire Department capital acquisitions by \$230,000 for the new ambulance. The rationale given was this vehicle will not be delivered during the present fiscal year, even if it was ordered immediately. Mayor Gitz provided written documentation that we would empower the Fire Chief to negotiate with the company with an upper limit of approximately \$200,000, providing they will guarantee price and take some of our older vehicles in trade. We would lose the early payment option of \$4,000, but that is a minor issue. Delivery would take place in mid-2016, at which time we will have a new round of ambulance fees and a better idea about the fund projections.

Fire Chief Miller stated there is actually a ten month lead time so that by having the funds available next fiscal year when the vehicle is delivered is appropriate. He stated that he will not be delaying ordering the vehicle it would be allocating the funds in the next fiscal year. Fire Chief Miller stated the original dollars requested was \$230,000 and that was a not to exceed dollar amount and they will have a trade in value on some obsolete vehicles. Corporation Counsel Griffin explained there was a typo in the written document and the amount is actually \$230,000 and not \$240,000. The \$230,000 is the amount dedicated to the new ambulance. Director Haggard explained because of the above stated change, this would reduce 32-00-742 "Vehicles" \$230,000 from \$230,000 to \$0.00. This would account for a net change of \$0.0 change in General Fund Spending Plan and the corresponding change of \$0.0 total impact on General Fund Appropriation.

Mayor Gitz then referred council members to the capital equipment fund on a separate sheet he provide this afternoon. Noted on the sheet was a reduction in expenditures for Police Cars from \$110,000 down to \$82,500; a reduction for an end loader from \$150,000 to \$105,000; moving the 5 Yard Plow Truck in an amount of \$115,000 to contingency; and a reduction for two Utility/Form Trucks from \$90,000 to \$70,000. This reduced the total expenditures from \$511,355.00 to \$303,855.00 by an overall amount of \$207,500. Mayor Gitz recommended purchase of the end loader for this fiscal year due to the current one being used every day as being ten years old. The current loader, once the new one it purchased, will be sent to the airport. Aldersperson Chesney recommended moving the \$115,000 into contingency and to look at a gently used vehicle and bring that amount in at \$98,500. Mayor Gitz stated that if the \$115,000 was put into contingency that at the time of the purchase, the council will be heavily involved. Aldersperson McClanathan thanked Director Dole and Mayor Gitz for the amended Capital Equipment Expenditure Plan and supported placing \$115,000 for the 5 Yard Plow Truck in contingency. Mayor Gitz stated he forgot to remove the statement at the bottom of the page that the mayor is not in agreement. That was true of the original and not true of the revised.

Mayor Gitz provided the following explanation to council via email: "I was asked by some members of the Council for options on capital equipment. This review involved my personal appraisal of the working condition of equipment, not just department head recommendations. Attachment No. 1 is the original equipment recommendations made to Council. Attachment No. 2 is the reduced option requested by Alderman McClanathan. It reduces police cars from 4 to 3; the loader by \$45,000, appropriates less for utility trucks and moves the 5 ton dump truck to contingency. It is after all a 1998 vehicle and may not last the year. These reductions total \$207,500. I personally am not in favor of eliminating the dump truck,

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but I was asked for options. This is my response to that request. Separately you will recall the new ambulance is a possible cut from the Fire Department FY '16 budget because it will take 8 or more months to build and will not be delivered and paid for in this budget anyway.” The following was provided as Attachment #2:

Capital Equipment Fund						
5 Year Capital Expenditure Plan						
	Reduced \$207,500					
		Fiscal Year				
		2016	2017	2018	2019	2020
Beginning Cash		294,110.49	259,046.49	285,776.49	216,706.49	207,806.49
Revenue		268,791.00	245,030.00	245,030.00	246,000.00	246,000.00
	Total Cash	562,901.49	504,076.49	530,806.49	462,706.49	453,806.49
Expenditures:						
<u>Police Department</u>						
Police Cars (3 Units)		82,500.00	113,300.00	116,600.00	119,900.00	123,200.00
<u>Public Works Department</u>						
Pickup Broom for Skid loader		3,800.00				
24' Tandem Axle Trailer		4,500.00				
50% of Truck split with W/S		12,685.00				
Building Inspector Truck		25,370.00				
End loader		105,000.00	-	-	-	-
(1) 5 YRD Plow Truck	(\$115,000 moved to contingency)			-	-	-
(2) Utility/Form Truck		70,000.00	-	-	-	-
Mini-Excavator (Used)		-	65,000.00	-	-	-
Paint Machine		-	30,000.00	-	-	-
(1) Tractors, Cemetery		-	10,000.00	-	-	-
One ton Plow Truck		-	-	80,000.00	-	-
(1) 5 YRD Plow Truck		-	-	117,500.00	-	-
(1) 10 YRD Plow Truck		-	-	-	135,000.00	-
(1) 5 YRD Plow Truck		-	-	-	-	122,500.00
	Total Expenditures	303,855.00	218,300.00	314,100.00	254,900.00	245,700.00
	Ending Cash Balance	259,046.49	285,776.49	216,706.49	207,806.49	208,106.49

Discussion was held on replacing three police pursuit vehicles instead of four vehicles. Mayor Gitz stated it is the will of the council on these items and he explained the police department will reallocate the high use vehicles to make maximum advantage of three versus four vehicles. Chief Barkalow stated we generally replace four squad cars every year and we don't just turn them in they get relegated to special

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use and then those vehicles that have been in special use for two to three years out would be the ones that are traded in. He had four squad cars earmarked for replacement and understands that these are difficult economic times so adjustments can be made. They have worked with the mechanic and have determined three vehicles to be taken out of the regular squads. Chief Barkalow explained that he would feel more comfortable if there was a contingency. Alderperson Chesney asked if there was an emergency the council could do a supplemental. Mayor Gitz stated that is correct and he stated the whole purpose for the appropriation ordinance is to set up in a broad form what are our spending categories, now we supplement that with a spending plan that is very detailed in line items, so that spending plan is equivalent to a budget and contingencies are the things that you do not want to go through a whole process of supplemental, we would like to make it fairly simple some of those contingencies can be triggered by the finance director and some can be triggered by the council or all of them can be subject to council approval. He explained the supplemental appropriation is a separate process and requires multiple readings because you are taking an appropriation ordinance and saying it does not quite work for our circumstances so we are going to amend it. He explained that unlike medical procedures, if we make a mistake, we can fix it most of the time. There are some options to those things that could happen including natural disasters so you do have some exit valves. Alderperson McClanathan stated that if there was an emergency that was to happen, this council would consider an amendment to the appropriation ordinance.

Mayor Gitz then referred the council back to the general fund changes on page 3. The next item discussed was stated as: "The present spending plan has \$209,695.11 revenue over expenditures. Mayor Gitz recommended adjusting some of the training and expense line items back to the original recommendation. In his case, travel was already reduced \$3,000 in the original budget, and he knows he will incur at least \$7,000 in expenses because of Illinois Municipal League commitments. Mayor Gitz stated he believes we should restore some of the maintenance and repair projections if we are going to keep older equipment. The good news is that none of these changes will be dramatic increases." The following line items were recommended reverting back to the original recommendations:

- MAYOR'S OFFICE: Increase 1-21-575 "Education, Training and Travel" \$1,500 from \$5,500 (COW new Number) to \$7,000 (The original amount).
- LEGAL DEPARTMENT: Increase 1-33-575 "Education, Training and Travel" \$1,000 from \$1,000 (COW new Number) to \$2,000 (The original amount).
- STREET DEPARTMENT: Increase 1-44-625 "Maintenance & Janitorial Supplies" \$5,000 from \$60,000 (COW new number) to \$65,000 (The original amount).

Because of the above stated changes, the General Fund Spending Plan would increase \$7,500 for a total impact of \$7,500 on General Fund Appropriation.

Alderperson Miller stated she reviewed the City Council budget and asked about the ordinance codification and going out for bids. Corporation Counsel Griffin explained that switching vendors at this point in the budget would not be prudent because the first year of codification would greatly outweigh what is currently in the budget for the cost of amendments. The new vendor would have to place the entire code into their system and that would be a large expenditure. She explained that the amount placed in the budget for this year is because for the last six months she has not had a full time legal assistant and the code needs to be "caught back up to date" and the online and paper copies need to be updated. That

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function is extremely important for the public, the council and the staff. We have not had enough assistance in the offices to be able to get it done and thoroughly vetted. This is the cost of getting the ordinance to the on-line version and we do have printed versions in which some of the law offices pay us for their copies.

Aldersperson Miller asked about the \$1,700 line item for city council for furniture, fixtures. It was noted by Director Haggard that it was a carry-over from the previous budget for chairs which is not necessary in this budget. Aldersperson Miller made a motion to the Appropriation Ordinance, under Department number 11, City Council, by reducing line item 01-11-799 from \$1700 to \$0. The corresponding amendment to the Spending Plan would be to reduce line item 01-11-743 (Equipment, Furniture and Fixtures < \$1,000) from \$1700 to \$0. This motion was seconded by Aldersperson Chesney. Motion prevailed by voice vote without dissent. Corporation Counsel Griffin stated it can be prepped with the other amendments council makes tonight.

Mayor Gitz stated the next item discussed the grant match for EDA Economic Adjustment Grant – Investing in Manufacturing Communities Partnership will not be coming from the General Fund as originally budgeted in the Spending Plan.

- Decrease 1-63-900 “Transfer to Various Grants” \$66,824.75 from 167,324.75 to \$100,500.

Mayor Gitz provided because of the above stated change, it would decrease General Fund Spending Plan \$66,824.75 which will have total impact on General Fund Appropriation in the amount of \$66,824.75 decrease. Mayor Gitz stated we will be withdrawing that grant and reapply at a later date and explained the details of the grant with synergies and a lot of moving parts and partners that needs refinement. Mayor Gitz stated although we are withdrawing the City may at a later date reapply.

Aldersperson Chesney recommended reinstating the Mayor’s Office, Legal Department and Street Department line items now that he has received concessions with other areas they requested such as using slightly used equipment and the clarification they requested from the Legal Department and the Mayor’s Office.

Mayor Gitz referred to the written communication with the line item amendments proposed by the administration as distributed to the council. Corporation Counsel Griffin asked for guidance from the council as to how the contingency section of the spending plan should be amended because at this time it how it originally was. Aldersperson McClanathan stated he would like to see the personnel contingency in the council’s preview. Director Haggard stated she did already take into consideration items for overtime expenses and PEHP payouts that should not be held up for council to approve and placed them under the Finance Director’s contingency items.

Aldersperson Chesney stated in reference to Item Q from the council requested items that only item that he recommends removing is the 19-0-30 to remove the parking lot in order for it to be discussed at a later date. Mayor Gitz stated that was in his proposed amendments. Mayor Gitz recommended discussion further on this topic and the need to look at alternative financing mechanisms for the parking lot moving forward.

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Director Haggard had provided in the written documentation if all of the amendments were adopted as recommended on pages 2 and 3 it would have the following aggregate changes:

Fund 01			
Revenues			
	FY 2016 Spending Plan Revenues		FY 2016 Appropriation Revenues
399	\$ 17,138,133.90	\$	17,103,133.90
999.1	\$ 2,652,417.46	\$	2,652,417.46
	<u>\$ 19,790,551.36</u>	<u>\$</u>	<u>19,755,551.36</u>

Fund 01			
Expenditures and Restricted Revenue			
	FY 2016 Spending Plan		FY 2016 Appropriation
399	\$ (600,000.00)	\$	(600,000.00)
499	\$ 14,065,560.72	\$	14,825,709.72
599	\$ 1,422,121.00	\$	1,482,821.00
699	\$ 950,790.00	\$	968,790.00
799	\$ 2,833,100.00	\$	2,833,100.00
949	\$ 34,000.00	\$	34,000.00
999	\$ 595,959.78	\$	864,959.78
	<u>\$ 19,301,531.50</u>	<u>\$</u>	<u>20,409,380.50</u>
NET	<u>\$ 489,019.86</u>	<u>\$</u>	<u>(653,829.14)</u>

FUND BALANCE Analysis			
FY2014 General Fund Balance	\$	5,539,396.00	
FY2015 Pre-audit Change		455,000.00	
FY2015 Pre-audit General Fund Balance	\$	5,994,396.00	
FY2016 Proposed Change		(653,829.14)	
FY2016 Proposed Ending Fund Balance	\$	5,340,566.86	
Fund Balance Reserve		26.17%	

Summary of Changes in categories:

From	Spending Plan Increase/(Decrease)	Contingency Increase/(Decrease)	Appropriation Increase/(Decrease)
General Fund			
COW-Council	(16,900.00)	-	(16,900.00)
COW-Adminstration	(34,500.00)	475,605.16	441,105.16
MAYOR - Communication	(279,324.75)	(460,000.00)	(739,324.75)
Other Funds			
COW-Council	(139,000.00)	-	(139,000.00)
COW-Adminstration	-	81,000.00	81,000.00
MAYOR - Communication	106,500.00	(269,000.00)	(162,500.00)
Total Changes	(363,224.75)	(172,394.84)	(535,619.59)

Mayor Gitz stated we are done discussing item six. Corporation Counsel Griffin stated there were some premises on what the recommended amendments would be and they can have the document updated in about one half hour.

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Mayor Gitz stated we will skip item seven for appropriation ordinance until Director Haggard returns.

ORDINANCES – SECOND READING

2ND READING OF ORDINANCE #2015-34:

AN ORDINANCE TO ASCERTAIN THE PREVAILING RATE OF WAGES FOR LABORERS, WORKMEN AND MECHANICS EMPLOYED IN PUBLIC WORKS OF THE CITY OF FREEPORT, ILLINOIS

The first reading was held on July 6, 2015. A motion to approve was given by Alderperson Koester, seconded by Alderperson Ross and the ordinance was automatically laid over to tonight's meeting. Alderperson Chesney asked about publication of the prevailing wage. Corporation Counsel Griffin stated that the City is required to pass it, we are required to what we call publication form, and each of the contracts that we enter into we require the contractor to say that they are aware of what is contained in the prevailing wage ordinance. Upon no further discussion the motion for passage prevailed by a roll call vote of;

Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (8)

Nays: none

Ordinance #2015-34 was passed.

ORDINANCES – FIRST READING

1ST READING OF ORDINANCE #2015-37:

AN ORDINANCE AMENDING CHAPTER 288 ENTITLED “OFFICERS AND EMPLOYEES GENERALLY”, ADDING SECTION 288.24 (SIDE LETTER AGREEMENTS WITH EMPLOYEES) OF THE CODIFIED ORDINANCES OF THE CITY OF FREEPORT

This ordinance was referred to council from the Committee of the Whole on July 13, 2015 on a motion by Alderperson Klemm, second by Alderperson Koester and approval by majority vote. It was noted that Mayor Gitz provided an amendment into the packet providing the following:

Section 1. That Chapter 288 entitled “OFFICERS AND EMPLOYEES GENERALLY”, Section 288.24 (Side Letter Agreements with Employees) is hereby created to read as follows:

“CHAPTER 288 Officers and Employees Generally.

288.24 Side Letter Agreements with Employees.

(a) Any Side Letter of Agreement having a monetary impact of \$10,000 or more, be it with individual employees or groups of employees, shall be of no effect without the approval or ratification of City Council.

(b) It shall be an exception hereunder if there is information contained within or regarding such agreement that is disciplinary or personal in nature to the extent that it would not otherwise be beneficial to the public to have the details disclosed. Should this exception be utilized, the City Council shall be copied on such agreement within fifteen (15) days of its execution.

(1) This exception only applies if the monetary impact is less than \$50,000.00.

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(2) This exception shall require the ratification of City Council if within 90 days of the end of the then current term of office of the executing official.”

Section 2. This Ordinance shall be effective immediately upon its passage by the City Council, its approval by the Mayor, and its publication as provided by law.

Section 3. This Ordinance shall be revisited in one year for effectiveness and revision, if necessary.

Aldersperson Klemm presented the ordinance as it was brought forth from the Committee of the Whole meeting and stated that because of past administrations, it was recommended having this wording placed into the chapter for employees so that any letters or items that are given to an employee upon leaving as a bonus or other incentives has a limitation on how they are done. Mayor Gitz stated there was a request to monetize some of the terms and to place an exception on the end of a term for the mayor and he asked to have those inserted as items (b) 1) and 2). Aldersperson Chesney appreciated monetizing the ceiling and placing a limitation to the end of a mayor’s term.

Aldersperson Chesney made a motion to place the amended version of the ordinance on the floor for approval, seconded by Aldersperson Klemm. Mayor Gitz communicated his reluctance to enter into these agreements and requested some latitude in the amount. Aldersperson Koester explained advantages of tipping the scale of an employee on the higher end of the pay scale and giving them some insurance savings to bring in new employees at lower pay scale. Mayor Gitz stated that when you release an employee with their experience you are also losing their institutional knowledge that they acquired and you have a learning curve. He stated another example of how it would work is if the department would be far better off if that person takes an exit plan, as well as a financial move then he would support that. Otherwise he is not for side letters as a reward or its encouragement or because he happens to like someone. So he narrowly interprets it. Upon no further discussion, the ordinance was automatically laid over the the next meeting.

Mayor Gitz stated as long as they are still working on the Appropriation Ordinance and its amendments, we will continue to department head reports.

OTHER

REPORTS OF DEPARTMENT HEADS

Finance Department

Director Haggard was working on the appropriation ordinance amendments and had no report.

Public Works

Public Works Director Tom Dole stated there have been improvements to the parking lot across the street from the Post Office and the crews will be working on for the next two weeks to clean up areas in the downtown to prepare for Cruise Night. They are working on patching and paving. He stated that when you do have used equipment such as an end loader those are hard to find and when you do find them you have to act on them immediately so they will need to come to council for approval in a timely manner.

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Mayor Gitz asked the council if Director Dole finds a used end loader in quality condition whether that can be brought to the next meeting. The council stated their agreements.

Aldersperson Chesney asked if the weeds can be cleaned up at the old City Hall building in front of 230 W. Stephenson. Director Dole stated those areas will be cleaned up for Cruise Night and will be given attention. Mayor Gitz stated there are large planters that will be removed from the downtown. Director Dole stated they may break when they are removed.

Library

Public Library Director Carole Dickerson had no report.

Fire

Fire Chief Miller reported the Fire Department responded to a structure fire in the 900 block of South Maple on one side of a duplex. The company arriving on the scene encountered a large fire and the effected side of the duplex sustained extensive fire damage. The department was able to confine it to that side. The other unit had minimum damage from fire, water and smoke. Although the property was vacant at the time, the department moved into the structure in rescue mode because there was a car parked in the driveway.

Police

Chief of Police Todd Barkalow reported that with the Stephenson County Fair now over, there were no major events. The department is preparing for Cruise Night on August 1, 2015 and it is a large community event in downtown Freeport. The Police Department is finishing up background checks for eligibility lists on potential candidates. Aldersperson Koester asked about a statement about meeting a canine. Chief Barkalow stated that canine was brought to a meeting and that must have been a meeting he missed. Aldersperson Chesney asked about the staffing levels and asked if there will be any relief to the department's overtime budget due to the increased staffing. Chief Barkalow stated that overtime has so many moving parts with court call backs, special responses, drug raids, walking detail and biking detail that has been effective. He does not think that will have a large impact but the increase in staffing if four are hired will have a positive effect on manpower.

City Engineer

- [2015 Micro-Surfacing Program bid tabulation](#)

City Engineer Gallagher provided an update on the items that need to be completed for close out of the Jane Addams Trail project. He noted that solar flashers have been added on Route 26 ahead of vehicle advancement on that crossing. They replaced the temporary lights that were installed with the decorative lighting. The boat dock floating launch went out for bids and they are due on July 29th. He noted that funding for that project through and IDNR Grant is being held by the budget discussion in Springfield and that will be pending funding if we do elect to award that to a contractor.

City Engineer Gallagher provided written documentation stating that on July 15th the City of Freeport held a bid opening for this year's Micro-Surfacing Program. The two (2) bids received were submitted by Micro-surfacing Contractors and AC Pavement Striping Co. Two (2) base bids were requested this year for the same project area, where Base Bid #1 was designed under the current IDOT specifications for micro-surfacing, while Base Bid #2 required the use of crushed steel slag instead of other allowable

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materials within the mix, at the request of the City Engineer. The apparent low bid was submitted by AC Pavement Striping Co. for both base bids. 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 the low bid for Base Bid #2, City Engineer Gallagher recommended awarding contract 15-00000-03-GM to AC Pavement Striping Co. for \$140,790.20, barring any bid protest in the eight (8) calendar days following the bid opening, as allowed by IDOT. Included with the bid tabulation was a listing of the streets and the road length for a total of 12,618 road length and 45,860 in micro square yards including:

- Avon Street from Locust to Walnut Avenue
- Beaver Avenue from Avon Street to Elk Street
- Blackhawk Avenue from Avon Street to Elk Street
- Cherry Avenue from Avon Street to Elk Street
- Empire Street from Walnut to Float Avenue
- Henderson Road from Stephenson Street to Park Street
- Locust Avenue from Empire Street to Pleasant Street
- Park Street from Henderson Road to Sheridan Avenue
- Walnut Avenue from Cleveland Street to Empire Street
- Walnut Avenue from Empire Street to Elk Street

Alderson Chesney spoke about his concerns on Woodside Drive and whether it can be resurfaced based on safety and aesthetic value as a route to Krape Park. Engineer Gallagher stated that at the Committee of the Whole meeting in August he will present a five year plan and will provide two funding mechanisms. Engineer Gallagher explained the curve changes that need to be made to improve the safety of Woodside Drive and funding of the project.

Alderson McClanathan made a motion to accept the recommendation of Engineer Gallagher in the amount of \$140,790.20 and award to AC Pavement barring bid protest and IDOT approval of the bid based on bid protest. This motion was seconded by Alderson Koester. Upon no further discussion the motion for passage prevailed by a roll call vote of;

Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (8)

Nays: none

- [Design-Build Services: Municipal Building Renovation](#)

City Engineer Gallagher provided a written memorandum which stated the following:

“Per the request of the Freeport City Council, attached are phase 1 proposals for the renovation of the Carnegie Library, submitted by Winter Construction and Prairie Forge Group. Both proposals were

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reviewed by the Project Management Team and are recommended for approval, based on the requirements outlined in the original Request for Qualifications (RFQ) for the project.

“As outlined in the original RFQ documents and described by both firms during their Council interviews, the restoration of the Carnegie Library would be broken into three (3) phases, requiring Council approval for design and budget review after each phase, within the RFQ design-build format. Day to day communications would be handled by the City Engineer and the Project Management Team. These proposals cover the initial concept design layouts and estimating, along with the coordination of asbestos abatement, public works demolition, and historic preservation.

“For comparison information, long-term lease options were provided by the building owner of 524 W. Stephenson and are projected without inflation at the total expense of \$456,000 over five years and \$960,000 over ten years. Additional extensions to the lease agreements were estimated at \$250/month or \$3,000/year over the price of the final year of the agreement. In addition, CIP increases over 2% would be added to the monthly rent. The rent is calculated using a leased space of approximately 9,300 square feet, which does not include common areas that are free of charge and utility fees such as telephone and internet which are also free. The Owner is currently investigating costs to renovate the elevator systems in both the front and rear entrances of the building.”

Council members provided their opinions on moving forward with this project and whether this will be including in the bond refinancing in October and recommended having an item added to the August 10th Committee of the Whole meeting for further discussion. The terms should be discussed with the contractor and it was recommended having particular emphasis placed on Phase I of the project to be able to see the results of the asbestos abatement. Alderperson Chesney recommended having the contracts so the the council can have an apples to apples comparison and have that ready for the meeting in August for the Committee of the Whole.

City Engineer explained that trees will be planted at Tutty’s Crossing as a project with the Freeport Park District. Alderperson Klemm noted the “Mad Men” will be assisting with the project. He also stated there is some overgrowth of trees that need to be cut back on Lancaster.

Water and Sewer

Water and Sewer Director Tom Glendenning provided an update on Water System Improvements Phase B project. They did receive the first permit numbers from the IEPA so that is package one of two. They have eight firms that have taken out plans for the projects so there should be some good bidding. He is wrapping up the Big 4 projects and they are being finalized. They are signing and turning in one last document to finish off the total loan amount. They did go slightly over on the water loan amount and that consisted of two loans - Water Pollution loan and Clean Water Loan. We were under on the Waste Water loan. This came well within the estimates and the excess savings was eaten up by the interest that had to be paid due to the delay in the contracts but all in all we are under by about .5% of what was predicted about five years ago. Director Glendenning stated all the punch list items are complete except for the pressure zone project. He explained the difference the project has made in inflow. Director Glendenning stated the water sales now is an exact amount but it did not change the amount of revenue coming in. We did not receive the difference we expected in that we sent 84 million gallons of water out to the customers and we only sold through the meters 69 million gallons so that is 18% water loss through our water distribution lines. We have taken in 224 million gallons at the Waste Water Treatment Plant so that is a

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snap shot of our collection system. We have a big row ahead of us. Alderperson Chesney asked about the lead time of water bills. Director Glendenning stated there will be an additional ten days recommended to the Water and Sewer Commission in their August meeting and that will take a month for implementation so that will give a customer about 20-25 day turn around.

There was a five minute recess waiting for the documents for the appropriation ordinance. At 9:40 p.m., the council resumed regular business.

2ND READING OF ORDINANCE #2015-33:

APPROPRIATION ORDINANCE, FISCAL YEAR 2015-2016 FOR THE CITY OF FREEPORT, ILLINOIS

The first reading was held on July 6, 2015. A motion to approve was given by Alderperson Koester, seconded by Alderperson McClanathan. The ordinance was then referred to the Committee of the Whole for discussion purposes. At the Committee of the Whole meeting held on July 13, 2015, amendments were discussed. Final amendment recommendations were incorporated in the Appropriation Ordinance by Director Haggard and prepared for motions on the floor for the council meeting. Further discussion was held earlier this evening and the administration provided recommendations on the Appropriation Ordinances and the Spending Plan and Director Haggard prepared another version of the Exhibit A and it was noted as version 20150720_A

See the pages 9-15 of minutes for further detail.

Director Haggard reviewed the documents and stated with the FY 2016 Appropriation Revenues at \$19,830,551.36 and the expenditure/restricted revenue at \$20,423,075.34 there will be a net (\$592,523.98) and that will leave a proposed fund balance reserve of 26.45%.

Alderperson Chesney asked about the transfer of intergovernmental expenses on page 33 and she explained the where the \$79,000 came from by referring to the Summary of Changes. She explained part of that amount is the grant for \$68,000 and that line also increased for the bullet proof vest grant match and the other \$5,000 is the change in the bond as requested by council. Director Haggard reviewed the summary of changes. Corporation Counsel Griffin noted the \$5,000 additional for the Community Development Director's salary is in contingency. Director Haggard referred to the spending plan document and Mayor Gitz asked if there were any questions on that. Alderperson Chesney stated to clarify our net appropriations were roughly \$1.4 million and now as he is seeing it they are just under \$600,000. Director Haggard stated that is correct (referring to FY 2016 Appropriation Exhibit A with revenues, expenditures and restricted revenue for Fund 01.

Mayor Gitz referred the council to the contingencies page which was marked at Attachment B to the spending plan – contingencies in FY16 Appropriation Ordinance. Director Haggard explained the first section are items that she would approve - things that she would consider general obligation of the City. Below that are the general funds categories that require the City Council approval prior to expenditure. Alderperson Chesney asked if the Mayor's recommendations to the capital equipment fund have been incorporated into the appropriations. Director Haggard stated that is correct and she pointed out page 17 top category under total capital outlay and the number is \$418,855 and that amount includes \$115,000 in contingency and Corporation Counsel Griffin noted it also includes the reduction of end loader to \$105,000, and the removal of a police car. Director Haggard noted that she should have placed the

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\$115,000 in contingency into the items that city council should approve and that should be added in. Alderperson Chesney made a motion to move \$115,000 in contingency under council approval (for Capital Equipment Fund 31-04-741), seconded by Alderperson Ross. Motion prevailed by voice vote without dissent. Director Haggard clarified that it is in contingency in the appropriation she just did not get it into the Attachment B under city council approval. Director Haggard also noted that on the sheet marked as summary of changes that the Lamm Road TIF line items should be 26 and not 32 (Fire Improvement Fund). It was noted it is correct on the Appropriation Ordinance attachment. Alderperson Chesney asked when we reduced the bond proceeds for the Carnegie in addition to the capital outlay did we correspondingly reduce the loan of operating. Director Haggard stated the loan is 2.275 and that is the new money and the payment was adjusted by \$5,000.

Alderperson Koester moved for approval to incorporate the amendments to Ordinance #2015-33 (version 20150720_A) Appropriation Ordinance FY 2015-2016 for the City of Freeport, seconded by Alderperson Ross. Corporation Counsel clarified this refers to version 20150720_A marked as Exhibit A of the Appropriation Ordinance. The motion prevailed by a roll call vote of;
Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (8)
Nays: none

Mayor Gitz stated the Appropriation Ordinance is on the floor for approval as amended. Alderperson McClanathan asked about the summary of revenues and expenditures provided by Director Haggard. She explained that the \$20,423,075.34 relates to the general fund. All the other funds should be self-balancing or have areas in reserves for funding them. Mayor Gitz asked for a roll call vote to approve the appropriation ordinance as amended. The motion prevailed by a roll call vote of;
Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (8)
Nays: none
Ordinance #2015-33 as amended was passed by council on a vote of 8-0.

RESOLUTIONS

RESOLUTION #R-2015-40:

RESOLUTION TO ADOPT CITY OF FREEPORT SPENDING PLAN FOR FISCAL YEAR 2015-2016

(above stated resolution corresponds with the Appropriation Ordinance on the council floor 07/06/2015)
[view budget document dated 07/20/2015](#)

As requested by council, Director Haggard took the requested changes of the administration and the council and prepared another Attachment A and Attachment B to the Spending Plan Resolution as discussed on pages 8-16 of these minutes. She provided a copy to each council member in paper form. These pages incorporated the line item changes discussed earlier this evening.

Director Haggard explained that these are the general fund spending plan and on a separate page she provided the contingencies (marked as Attachment B 20150720_B) and the changes were incorporated. Corporation Counsel Griffin stated Attachment B becomes a part of the Spending Plan and this would also include the \$115,000 as part of the contingency items as made by a motion requiring City Council approval (in the Capital Equipment Fund for the purchase of a 5 yard plow truck). Alderperson Chesney stated the spending plan is going to be in the appropriation and the only document that is different from

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the appropriation is the page for contingencies noting approval. Director Haggard explained that you start off with the spending plan and you have a sheet that has the contingencies and you end up with the appropriation.

Aldersperson Koester made a motion to approve the spending plan with the attachment B corrected to read the previously discussed amount of \$115,000 in contingency, seconded by Aldersperson Brashaw. . Mayor Gitz asked for a roll call vote to approve the spending plan. The motion prevailed by a roll call vote of;

Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester, and Chesney (8)

Nays: none

Resolution R-2015-40 was adopted by council on a vote of 8-0.

MAYOR'S REPORT

Mayor Gitz stated his thanks for the progress made in the last week to resolve a lot of issues and to achieve consensus. This has been an extensive discussion that has taken months to accomplish. He stated he received word today that the Director of Natural Resources will be in Freeport on Saturday and he invited council members to attend to be able to request release of funding for projects, particularly the Boys and Girls Club demolition and about 4-5 other houses. There are many street work projects going on even with a reduced budget due to reduced State Appropriations. Mayor Gitz stated he will provide an updated to the council on the selection of the Community Development Director.

COUNCIL ANNOUNCEMENTS/NEW BUSINESS

Council members were provided an opportunity to give announcements and discuss items for their wards.

Aldersperson Koester spoke about the cooperation and progress made with the appropriation ordinance.

Aldersperson Klemm stated that at the last meeting Windy Pearson spoke about the river cleanup and he reminded interested persons that there will be a clean-up of the Pecatonica River on July 25 and this will be through through the United Sportsman's Club during the hours of 9:00 am and 1:00 pm with the meeting area at the Rock Hollow Conservation Club on Route 75. He stated this is a great project and need support.

Aldersperson McClanathan and Aldersperson Ross thanked the departments for their work on the budget to come to this point. Aldersperson Ross encouraged help with the rive cleanup and he has participated for the last five years and it is a worthwhile community event.

Aldersperson Miller spoke about the river clean-up and acknowledged the coordination and time of the volunteers. She referred to the three key points of balancing the budget being reduction in health care expenses, controlling salary increases and personnel cost and the third item is level of contingency for the unexpected health care. She echoed the Mayor's concerns on these issues. Aldersperson Miller spoke about budget reductions that are needed and asked to have a review of Chapter 290.02 in the section regarding longevity schedule for non-bargaining employees and would like to have this discussion at the August Committee of the Whole. She stated a longevity schedule is an item that can cause a City to bleed to death and she finds it hard to believe that most of our citizens in Freeport has schedules of automatic pay increases and we need to give serious evaluation to this longevity schedule and continue to take the

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steps to bring our City to a healthier state. She asked to have this on the August COW up for discussion. Alderperson Chesney stated he would too like to have that discussed at the August COW meeting.

Alderperson Chesney noted that an athlete from Freeport, Sophie Brunner, is one of twelve players selected to play for the U.S. in the Pan American Games and was wondering if there could be some recognition of this accomplishment. Mayor Gitz stated perhaps we can find out when she will be visiting and bring forth an honorary resolution on her behalf.

Mayor Gitz introduced the Grant Coordinator, Nick Jupin.

PUBLIC COMMENTS – AGENDA OR NON-AGENDA ITEMS

Lynn Folgate, 3551 W. Stephenson Street, Freeport, Illinois spoke about the programs the Moose Clubs of America support including Mooseheart, a 1,00 acre community and school for children and teens in need and Moosehaven, a retirement community located in Florida.

Tom Teich, 653 Jefferson, Freeport Illinois, spoke about an anniversary for the Chief of Police and noted that there will be a fundraiser for RAMP on July 30th.

Upon motion duly made and seconded, the meeting was adjourned at 10:20 p.m.

s/ Meg Zuravel

Meg Zuravel
City Clerk