



City Council

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

MINUTES REGULAR MEETING Monday, December 7, 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 December 7, 2015.

ROLL CALL

Present on roll call: Mayor Gitz and council members Tom Klemm, Peter McClanathan, Art Ross, Patrick Busker, Sally Brashaw, Michael Koester and Andrew Chesney (7). Alderperson Jodi Miller was absent. Representing the City of Freeport as special counsel was Michael Phillips, Attorney At Law.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Alderperson Klemm.

APPROVAL OF AGENDA

Alderperson Koester moved for approval of the agenda as presented, seconded by Alderperson Ross. Motion prevailed by voice vote without dissent.

PUBLIC COMMENTS – AGENDA ITEMS

The following public commenters were signed on the sheet and Mayor Gitz requested leave of council to hear from non-agenda items as well as agenda items. Leave of council was granted.

Lynn Folgate, 3551 Stephenson Street, Freeport, Illinois, spoke in regard to lackadaisical drivers and their not following the rules of the road. He noted that drivers should turn on their headlights when it is raining, use turn signals 100 feet before turning, and watch out for motorcycles. He stated it is important not to be a lackadaisical driver and noted there was a recent accident that badly injured a driver. He asked people to take caution and be safe drivers.

MINUTES

The minutes from the regular meeting on November 16, 2015 were presented for approval. Alderperson Brashaw moved for approval, seconded by Alderperson Busker. 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) City Treasurer's Monthly Investment Report for period ended October 31, 2015
- 2) City Treasurer's Report of Cash and Fund Balances for period ended October 31, 2015
- 3) Building Permit Report of Activities for November 2015

**MINUTES
REGULAR MEETING
Monday, December 7, 2015**

- B. Approval of Motor Fuel Tax Fund Bills Payable (Register #0072) --- \$3,462.38
- C. Approval of Water & Sewer Bills Payable (Registers #443, 448, 449, 451) --- \$208,286.88
- D. Approval of Payroll for pay period ending November 14, 2015 --- \$417,371.75
- E. Approval of Payroll for pay period ending November 28, 2015 --- \$425,520.25
- F. Approval of Finance Bills Payable (Registers #441, 442, 444, 445, 446, 447, 450, 453) --- \$1,224,595.97

Aldersperson Busker moved for approval of the consent agenda as presented, seconded by Aldersperson Brashaw. The motion prevailed by a roll call vote of;
Yeas: Klemm, McClanathan, Ross, Busker, Brashaw, Koester and Chesney (7)
Nays: none

ORDINANCES -- SECOND READING

2nd READING OF ORDINANCE #2015-65:

AN ORDINANCE AMENDING CHAPTER 290 (COMPENSATION AND BENEFITS) SECTION 290.01 (CLASSIFICATION PLAN) OF THE CODIFIED ORDINANCES OF THE CITY OF FREEPORT REGARDING DEPUTY CITY ACCOUNTANT

The first reading was held on November 16, 2015. A motion to approve was given by Aldersperson Brashaw, seconded by Aldersperson Klemm and the ordinance was automatically laid over to tonight's meeting. The second reading was held. Mayor Gitz introduced the ordinance by stating that recently Special Counsel Phillips alerted him to an agreement that they now recommend the position of the City Accountant be restored at this time.

Mike Phillips, Special Counsel, pointed out that the ordinance as written there is no City Accountant position. He explained it could cause an issue and council may wish to amend Ordinance #2015-65. Attorney Phillips explained that the City of Freeport has a contract with the State of Illinois which is an intergovernmental agreement called the IDROP/LDR Payment, the one that collects funds for uncollected water bills, fees and fines. This agreement requires that certain conditions are met, we have to have an acknowledgement that the City has notified people and given them a chance to contest the amount of debt and the key phrase that he noticed last week requires the key liaison as the City Accountant. He notified the Mayor that this position handles contacts with IDrop, monitors the program, and assures compliance. He explained that even if you do not fill this position for a while it should be a viable position in the City that should be reinstated under Chapter 290, Classification Plan under the Professional Group at the previously assigned class grade which he believes was a class grade of 20.

Aldersperson Brashaw stated, "Based on the Legal Counsel's recommendation, I would like to make a motion to approve with an amendment to include under Section Part e) under the 'Positions Not Covered' to add in the position of City Accountant." This motion was seconded by Aldersperson Klemm. Mayor Gitz stated there is a motion to delete the language deleting the City Accountant and restoring that. Motion prevailed by voice vote without dissent.

Aldersperson Chesney stated now that we have established that there are a deputy city accountant position and a city accountant position and an overall director, is it your opinion that those three positions at some point need to be filled. Mayor Gitz stated the answer is a probable yes and he explained his qualification. He stated the City has general ledger issues that have to be resolved in order for the audit to move forward. The number one issue that he is trying to resolve with the help of Mr. Price is all of the different things that need to be taken care of in the best, most efficient and least expensive way to take care of them. He explained Mr. Price is only here for a short time further and the person who has been working on the ledger was leaving after the end of today. The

**MINUTES
REGULAR MEETING
Monday, December 7, 2015**

accounting function is the number one issue facing the City. He spoke about the need of streamlining functions, reviewing functions in the Water & Sewer receivables and the software issues to interface two systems of the accounting and Water & Sewer. He stated based on all of this information we will know what kind of skill sets are needed for the Finance Director. He sees these positions going first, whether they are done contractually or by full time personnel and, from that, defining the long term needs of the City proceeding in that position. Mayor Gitz recommended dealing with the position of the Deputy Accountant first. He explained there are economies that may be busting and right now three positions are reasonable but if there is a better way to do it he is in favor of that better way.

The motion for passage of the Ordinance #2015-65 as amended prevailed by a roll call vote of;

Yeas: Klemm, McClanathan, Ross, Busker, Brashaw, Koester and Chesney (7)

Nays: none

Ordinance #2015-65 was passed.

ORDINANCES -- FIRST READING

[1ST READING OF ORDINANCE #2015-53:](#)

AN ORDINANCE AMENDING CHAPTER 290 (COMPENSATION AND BENEFITS) SECTION 290.11 (LEAVES OF ABSENCE "VACATION LEAVES") OF THE CODIFIED ORDINANCES OF THE CITY OF FREEPORT

This ordinance was recommended to the council by the Committee of the Whole in the meeting held on November 9, 2015 on a motion by Alderperson Koester, second by Alderperson Chesney and approved by majority vote. At the council meeting held on November 16, 2015 it was deferred to tonight's meeting on a motion by Alderperson Busker, seconded by Alderperson Brashaw and approval by majority vote.

Provided in the council packet was the following memorandum written by Michael Phillips, special counsel and Human Resource Manager Debra Milliman

"Statement of HR Department:

Based on the following examples and observations, I am recommending we keep the proposed vacation ordinance currently on the table (regarding pro-rata and accrual only), to take effect on January 1, 2016. Meaning, all eligible non-bargaining employees shall be given the appropriate pro-rated amount of vacation on January 1, 2016 and shall begin accruing, based on the proposed ordinance, at their individually appropriate rate, beginning with the first paycheck they receive in January 2016.

Example A: (No January 1, 2016 *Pro Rata* Award and No Accrual of Vacation Until 2016 Anniversary Date)

On October 10, 2015, employee Jane Doe was given 80 hours vacation per the City ordinance in effect on that date. She does not receive a pro-rata amount on January 1, 2016 and does not begin accruing any additional vacation until October 10, 2016, at which time she begins accruing 3.08 hours per pay period. Observation of example A: It will take Ms. Doe **two years** to accrue another 80 hours of vacation, instead of accruing that each year, as stated in the current (and proposed) ordinance. To some it would appear that Jane is being penalized for the 80 hours earned in the first year of employment, which again was given to her per the ordinance in effect at that time.

**MINUTES
REGULAR MEETING
Monday, December 7, 2015**

Example B: (With January 1, 2016 *Pro Rata* Award and Accrual of Vacation Beginning With First Completed Payroll Period in January of 2016)

On October 10, 2015, employee Jane Doe was given 80 hours vacation per the City ordinance in effect on that date. On January 1, 2016 Ms. Doe is given a prorated amount of approximately 18 hours of vacation for what she has earned from her anniversary date of October 20, 2015 through December 31, 2015. Effective with the first paycheck Jane receives in 2016, and each paycheck received thereafter, Jane will receive the appropriate amount of vacation based on her years of service. By her anniversary date in 2016, Jane will have earned another 80 hours of vacation.

Observation of example B: As you look at this example, it may appear that Ms. Doe is getting twice her annual allotment of vacation. Keep in mind, that is **ONLY** because of the ordinance that was in place during the first year of her employment **AND this will only be the case until she's reached her 2016 anniversary date**, at which time she will be accruing at the applicable rate per the revised City ordinance.

"In summary, I believe we all agree that the vacation policy needs to be fixed and caps need to be put in place in order to avoid large payouts upon termination. That portion of the ordinance is agreed upon. But, I also believe that we need to keep in mind the effect that not giving the pro-rated amount, and postponing the onset of accrual, will have on our non-union employees, some of whom are the very people that direct the most important operations of this City. The total amount in dollars for the effected individuals amounts to approximately \$25,000.00 (and that's only if they all resign in 2016). For the unlikely \$25,000 that we would be saving, are we willing to lower employee morale and perhaps lose some of our top talent because this is the straw that breaks the camel's back? We are very fortunate to have good, hard-working employees here. We need to appreciate those individuals and work to keep them from leaving, not give them another reason to look elsewhere.

"Statement of Legal Department:

I considered the elimination of the January 1, 2016 *Pro Rata* Award of Vacation Hours, but this would mean that the employee did not earn nor accrue any vacation hours between his/her 2015 anniversary date and January 1, 2016. The Legal Department recommends against this *Pro Rata* deletion for two reasons. *First*, this elimination of the *Pro Rata* award may violate Section 300.520 of Title 56 of the Illinois Administrative Code which is entitled "Section 300.520 Earned Vacation" and which reads in pertinent part as follows:

"(a) Whenever an employment contract or an employment policy provides for paid vacation earned by length of service, vacation time is earned pro rata as the employee renders service to the employer. . .

(f) The Department [of Labor] recognizes policies under which:

(1) no vacation is earned during a limited period at the commencement of employment.

The employer must demonstrate that the policy is not a subterfuge to avoid payment of vacation actually earned by length of service and, in fact, no vacation is implicitly earned or accrued during that period.

(h) An employer cannot effectuate a forfeiture of earned vacation by a written employment policy or practice of the employer."

"The above Regulation limits periods when no vacation are earned to "a limited period at the commencement of employment" and thus not after one or more years of employment by the same employer such as the City.

MINUTES
REGULAR MEETING
Monday, December 7, 2015

Second, the delay in accruing vacation from the 2015 Anniversary Date until January 1, 2016 or until the 2016 Anniversary Date thus requires a City employee to work up to an entire year without earning or accruing vacation.

“Additionally, under Section 620 of this same Title an official of the City could be held personally liable for the monetary value of wrongfully denied vacation hours by the City. This Regulation extends such personal liability to corporate officials such as City officials:

“(a) As a result of PA 96-1407, any person, including corporate officers, agents or any person who acts directly or indirectly in the interest of an employer in relation to an employee is an employer under Section 2 of the Act and may be held individually liable for wages and final compensation. For example, any person, including corporate officers and agents, acting directly or indirectly in the interest of an employer, includes, but is not limited to, actions such as being a signatory to an employment or union contract, or otherwise maintaining a decision-making role with regards to employment decisions and/or payment of employees. . . .

(b) In addition to an individual who is deemed to be an employer pursuant to Section 2 of the Act, Section 13 of the Act allows for a separate and independent basis for liability for any agents of an employer who knowingly permit the employer to violate the provisions of the Act. Such a person may be deemed to be an employer of the employees of the corporation and shall be individually liable for a claimant's wages or final compensation. For example, individual liability would attach when an individual exercises sufficient control to allocate to whom or what entity the funds would be paid and in what amount (i.e., no paychecks, full paychecks or partial paychecks) during the relevant time period.

(c) As used in subsection (b):

- 1) "Knowingly" means knowledge of the existence of facts constituting the alleged violation, rather than a knowledge of the unlawfulness of the act or omission.
- 2) "Permit" means to allow to happen or to fail to prevent, regardless of the corporation's ability to pay.

Mayor Gitz reviewed for the council why there are two different options, Option A and Option B. There were a number of different issues at the Committee of the Whole and council's previous discussions raised by several Aldermen including Alderman Miller. She is not present tonight. He referred to the administration regulations provided in the packet and the article from the Illinois Municipal Review and also a memo prepared by HR and also by the Legal Department. There is some question about our ability to go a period of time without prorating benefits and then start an accrual system. This morning in the staff meeting, we went through this issue again. He does not think those issues are fully resolved. He noted the ordinance as written has an effective date of January 1, 2016. He suggested putting one ordinance on the floor and then we can answer and take on additional discussion over the next two weeks.

Aldersperson Brashaw stated there are a lot of questions to be answered still and a lot of things do not make sense with Option A or Option B regarding legalities regarding employees.

Aldersperson Brashaw made a motion to recommend the ordinance to the Committee of the Whole, seconded by Aldersperson Koester. Aldersperson McClanathan spoke in support of having further clarity provided and stated if council would like to take action on the 21st then it would be necessary to ask for a suspension of the rules at that time.

**MINUTES
REGULAR MEETING
Monday, December 7, 2015**

Motion prevailed by voice vote without dissent to send the ordinance as drafted to the Committee of the Whole.

TAX LEVY ORDINANCE FOR CITY OF FREEPORT – FIRST READING

City Clerk Zuravel read the following into the record:

1st Reading of Ordinance #2015-66 (Option A):

An Ordinance For the Levy and Assessment of Taxes for the Fiscal Year Beginning May 1, 2015 and ending April 30, 2016 for the City of Freeport, County of Stephenson and State of Illinois (2.37% Tax Levy presented at 11/30/2015 Council Meeting)

	90% Target Annual Contribution	20% Contribution From Rep. Tax	Corporate Fund Additional Contribution	2015 Tax Levy	2014 Tax Levy	% Change
Firefighter's pension contribution	943,449	188,690	141,447	613,312	569,263	7.7%
Police pension contribution	1,859,174	371,835	278,508	1,208,831	1,273,118	-5.0%
IMRF	330,000	66,000	49,705	214,295	136,000	57.6%
Corporate				469,660	469,660	0.0%
	3,132,623	626,525	469,660	2,506,098	2,448,041	2.37%

Tax Cap Limitation
0.8%

Estimated assessed value 218,135,748
Estimated tax rate 0.0114887
Previous year's tax rate 0.0112227

Effect on \$100,000 home If the EAV of the home does not change		
Amount of Tax	Dollar Increase	% Increase
383	9	2.4%
374		

ASSUMES NO CHANGE IN TOTAL EAV

Mr. Price provided the following summary to Mayor Gitz and council for the above Tax Levy at 0%:

"Attached is a worksheet showing the tax levy with no increase over the 2014 levy. In order to reduce the levy I took \$58,000 from the levy for the Firefighter's Pension Contribution. This means that the pension expense for next fiscal year will be \$660,000 more than this year."

Upon the first reading of the Ordinance #2015-66, An Ordinance For the Levy and Assessment of Taxes for the Fiscal Year Beginning May 1, 2015 and ending April 30, 2016 for the City of Freeport, County of Stephenson and State of Illinois, Alderperson Koester stated he has several questions. He asked whether this will sufficiently cover our obligations on the pensions at 90%.

Mr. Price, consultant for the Finance Department was called to the podium.

Mayor Gitz stated the original recommendations were GASB (Government Accounting Standards Board recommendations. Even though we have been paying all the pension obligations for Fire, Police and IMRF according to the State required schedule, GASB said we have to do it faster. The City has been hit with a million dollar increase in the pension allocation. That is not binding upon the City, it is recommended. There was a long discussion in the council as to what do we have to do to follow state policy to fund 90% by 2040. It was as stated roughly about half of that with a \$500,000 increase. In either event it exceeds any contribution to the General Fund.

MINUTES
REGULAR MEETING
Monday, December 7, 2015

Mayor Gitz explained beside the discussion was to whether this is adequate, there is also a request from the council as to what do the numbers look like at a zero percent increase. Mr. Price has prepared those numbers. He explained either scenario you are making major contributions from the General Fund to pay for pension and not have any contributions to the General Fund. So it will be zero money to the general fund except at the expense of the pension fund allocations. He explained pending legislation on tax freeze and the effect it could have on future tax levies for the City of Freeport.

Mr. Price stated the amount that we are levying is not enough to cover our pension obligations. There is still quite a bit coming from the Corporate Fund. Between the contribution to the corporate fund and the levy, that will cover the pension obligations.

Aldersperson Koester spoke about the levy taken last equated to a 3% cut to accommodate the lower assessed values at the time. He spoke about his concerns that the levy does not allow for any type of build-up of the City's reserves. He spoke in support of a levy to give the City the money necessary for the pensions and to not take the money out of the reserves. He was also concerned about what the legislative freeze will do to the funds.

Aldersperson Klemm spoke about moving forward an ordinance whether it is a 2.37% or a 0% levy but an ordinance has to be moved forward for adoption tonight. He stated the real question between a 2.37% and a 0% is how much that is going to affect us. The difference between the two is \$60,000 and where do you get it from. At the end of last year the budget cuts this summer amounted to about \$10,000.

Aldersperson Chesney stated he remembers it being more than that, but some were general fund and some were capital funds.

Aldersperson Klemm reminded council to take into consideration raises need to be built into the budget for next year from the contracts. He provided some history about six-seven years ago when it was necessary to take 10% out of the budget in order to do this, salaries were reduced, furlough days were taken, services cut, and people were laid off.

Aldersperson Brashaw asked whether there are other items which can be taxed such as utility tax.

Mr. Price stated there are certainly options. He explained you will need to increase revenue or decrease expenses for the shortage that you are not levying for and that amount is about \$600,000. If you take it out of existing revenue, you need to make it up for what you were using the revenue for before. There are other taxing options if you are interested in increasing taxes and one is the sales tax.

Aldersperson Brashaw spoke on behalf of her constituents and explained the hardship of paying taxes. She stated one person that she is aware of has to sell personal property to pay for taxes. That person asked to look at items that would be considered luxury taxes. She asked to look at other options for revenue sources other than property taxes.

Aldersperson Chesney spoke in support of the labels as "Option B" for the zero tax levy. He stated this is not the time to raise property taxes. He spoke about making budget cuts in an effort to solve the budget in the next cycle. He recommended putting together a special committee to look at finances.

MINUTES
REGULAR MEETING
Monday, December 7, 2015

Aldersperson McClanathan stated there is truth on both sides. He stated there are many other things that make up a person's overall property tax and we are a portion. He spoke about the declining EAV and the effect it has as local disadvantages on the property tax burden. He reminded council that you can't tax your way to fixing the holes and long term we are looking for growth. He spoke about the difference between option A and Option B as being \$58,000. We do not have recovery with the EAV or other funding sources. We have seen what happens with a less dynamic when you are talking about Water & Sewer in regards to the rates that they have and the difficulties they have with the increased maintenance costs with rates remaining at a certain level. He spoke about the funding levels from the State for roads and infrastructure when that amount is stagnant compared to what is needed to make a more positive contribution to that in our community. He stated he does not want us to get too hung up on the 2.37% versus zero because you are talking about \$58,000. He stated going forward we have to either make a drastic increase or we are going to have a drastic change to our services.

Aldersperson Koester spoke about this may seem like a small amount between the two but added up over the years it can add up. He spoke about the way he voted on budget cuts. He asked for further revenue sources and whether the food and beverage tax had a sunset. Mayor Gitz stated the food and beverage tax exits today and that amount was adjusted a couple of years ago. He asked about revenue sources from other taxes.

Mr. Price explained that sales taxes can be implemented on January 1 or July 1 and so that passage has to take place by end of March or three months prior to the implementation date. Beyond that he can't think that any more are time sensitive like that. Aldersperson Koester asked council to look into the future and in support of the 2.37% or higher. He noted to pass the zero levy would be irresponsible.

Aldersperson Klemm spoke about the difference as being \$58,000 which can be a truck or one person on the payroll. He believes that after listening to the conversations and this is the right thing to do for this period of time so he would be to, "make a motion to adopt Ordinance #2015-66 for Option B." This motion was seconded by Aldersperson Chesney.

Mayor Gitz asked if there was further discussion on the ordinance with Option B on the floor for approval and noted for the viewing audience this is for a zero percent tax levy.

The following ordinance was provided in the council packet for a zero tax levy marked as Option B as follows:

[1st Reading of Ordinance #2015-66 \(Option B\):](#)

An Ordinance For the Levy and Assessment of Taxes for the Fiscal Year Beginning May 1, 2015 and ending April 30, 2016 for the City of Freeport, County of Stephenson and State of Illinois (0% Tax Levy)

The ordinance as written provided for the following excerpt:

"Section 6. There is hereby certified to the County Clerk of Stephenson County, Illinois the sum of Two Million Four Hundred Forty-Eight Thousand, Forty-One Dollars and 42/100 Dollars (\$2,448,041.42), which constitutes the total amount that the City of Freeport requires to be raised by taxation for the 2015-2016 Fiscal Year of said City; and the City Clerk of the City of Freeport is hereby directed to file a certified copy of this Tax Levy Ordinance with the County Clerk of Stephenson County, Illinois on or before the last Tuesday of December, 2015."

Provided for the council members was the following summary:

**MINUTES
REGULAR MEETING
Monday, December 7, 2015**

**0%
Increase**

**Preliminary
Tax Levy Calculation
2015**

	90% Target Annual Contribution	20% Contribution From Rep. Tax	Corporate Fund Additional Contribution	2015 Tax Levy	2014 Tax Levy	% Change
Firefighter's pension contribution	943,449	188,690	199,504	555,255	569,263	-2.5%
Police pension contribution	1,859,174	371,835	278,508	1,208,831	1,273,118	-5.0%
IMRF	330,000	66,000	49,705	214,295	136,000	57.6%
Corporate				469,660	469,660	0.0%
	3,132,623	626,525	527,717	2,448,041	2,448,041	0.00%

Tax Cap Limitation
0.8%

Est. 0% increase

Estimated assessed
value

218,135,748

Estimated tax rate

0.0112226

Previous year's tax rate

0.0112227

Effect on \$100,000 home
If the EAV of the home does not
change

Amount of Tax	Dollar Increase	% Increase
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374

0

0.0%

374

ASSUMES NO CHANGE IT TOTAL EAV

Aldersperson Klemm stated that there is one more reading and this is currently being moved forward at zero.

Mayor Gitz stated anything can change except we are limited by the tax limitation law.

Mayor Gitz stated the City has continually tried to reduce the levy or hold the line on the levy and people to continue to see an increase to their taxes it is not because of the City but the other taxing bodies. The second point is that for the first time the pension levies for the fire, police and IMRF will exceed the entire levy and we normally met those by reducing the general fund but in this case it will be supplemented by other revenue sources which create a separate set of issues in the budget that we approve in 2016. Mayor Gitz stated the Ordinance will be automatically laid over to the next meeting.

City Clerk Zuravel asked if the council had interest in placing a discussion item on the Committee of the Whole agenda for discussion purposes. Aldersperson Koester stated yes. It was confirmed that it would be a discussion item. Mayor Gitz asked council members consensus if we can do this by consent of the council without a formal motion. The council members nodded affirmatively and stated yes.

**MINUTES
REGULAR MEETING
Monday, December 7, 2015**

Placed on the floor for approval was the following version:

ORDINANCE 2015-66 – OPTION B (0% TAX LEVY OPTION)

WHEREAS, on the 20th day of July, 2015, the City Council of the City of Freeport, Illinois, enacted Ordinance No. 2015-33, its Appropriation Ordinance for Fiscal Year 2015-2016, which was duly published on the 22nd day of July, 2015, by the Office of the City Clerk of the City of Freeport, of the County of Stephenson and State of Illinois, and the subject Appropriation Ordinance is now in full force and effect and on file with the City Clerk of the City of Freeport, Illinois; and

WHEREAS, the real estate taxes levied by this Tax Levy Ordinance will not be received by the City of Freeport until after the close of the City's current Fiscal Year; and

WHEREAS, this City Council is enacting this Ordinance under its constitutional home rule authority and further finds that such Ordinance is in the best interests of all the residents of this community.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, ILLINOIS:

Section 1. There is hereby levied upon all property subject to taxation within the corporate limits of the City of Freeport, Illinois, as the same is assessed and equalized for State and County taxation, for the fiscal year 2015-2016 the sum of Two Million Four Hundred Forty-Eight Thousand, Forty-One Dollars and 42/100 Dollars (\$2,448,041.42), or so much thereof as may be authorized by law, the same being for general corporate purposes, for streets, for contribution to the Illinois Municipal Retirement Fund, for the Police Pension Fund, and for the Firemen's Pension Fund, such levy being itemized as is hereinafter set forth:

(The remaining section provided a breakout for the amounts appropriated, the amount of payable from sources other than taxation and the amount to be levied. The other sections were customary wording for tax levies.)

Section 2. The respective sums hereby levied for Streets and Storm Sewers, for the Police Pension Fund, for the Firemen's Pension Fund and for contributions to the Illinois Municipal Retirement Fund, shall not be included in the aggregate amount of tax as limited by Section 5/8-3-1 of the Illinois Municipal Code, (65 ILCS 5/1-1-1 et seq.) and the acts amendatory thereof, or which impose limitations by reference thereto.

Section 3. The balance of the difference between the total amount appropriated for the purposes specified in the 2015-2016 Appropriation Ordinance and the total amount levied, is expected to be made up from revenues, fines, occupation tax, licenses, permits, fees and sources other than taxation.

Section 4. Pursuant to the Illinois Local Library Act (75 ILCS 5/1-0.1 et seq.) a separate Tax Levy Ordinance will be enacted by this City Council for public library purposes consistent with the provisions of the Appropriation Ordinance pertaining to the Public Library Fund.

Section 5. This levy is adopted in compliance with Public Act 82-102 as amended, commonly known as the Truth in Taxation Act (35 ILCS 200/18-55 through 18-100).

**MINUTES
REGULAR MEETING
Monday, December 7, 2015**

Section 6. There is hereby certified to the County Clerk of Stephenson County, Illinois the sum of Two Million Four Hundred Forty-Eight Thousand, Forty-One Dollars and 42/100 Dollars (\$2,448,041.42), which constitutes the total amount that the City of Freeport requires to be raised by taxation for the 2015-2016 Fiscal Year of said City; and the City Clerk of the City of Freeport is hereby directed to file a certified copy of this Tax Levy Ordinance with the County Clerk of Stephenson County, Illinois on or before the last Tuesday of December, 2015.

Section 7. 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 8. This Ordinance is expressly adopted pursuant to the Home Rule Powers of the City of Freeport under Section 6 of Article VII of the Illinois Constitution of 1970.

Section 9. All ordinances or parts of ordinances in conflict with this Ordinance are repealed insofar as they conflict.

Section 10. If any section, clause or provision of this Ordinance be declared by a Court of competent jurisdiction to be invalid, such decision shall not affect the validity of the Ordinance as a whole or any part thereof, other than the part so declared to be invalid, and the City Council hereby expressly declares that it would have passed this Ordinance even with the invalid portion deleted.

TAX LEVY ORDINANCE FOR FREEPORT PUBLIC LIBRARY – FIRST READING

Carole Dickerson of the Freeport Public Library presented the ordinance by stating that the same levy amount from last year with no increase and it has been recommended to council by the Freeport Public Library Board in the meeting held on November 2015. She explained the amount is Nine Hundred Ninety-One Thousand Four Hundred And Thirteen and 00/100 Dollars (\$991,413.00) which is the same amount as last year's levy.

The following title was read aloud: [1st Reading of Ordinance #2015-67](#): An Ordinance For the Levy and Assessment of Taxes for the Fiscal Year Beginning May 1, 2015 and ending April 30, 2016 for the Public Library of City of Freeport, County of Stephenson and State of Illinois

The ordinance provided in the packet included the following summary for the tax levy amount:

Section 10. There is hereby certified to the County Clerk of Stephenson County, Illinois, the total amount Nine Hundred Ninety-One Thousand Four Hundred and Thirteen and 00/100 Dollars (\$991,413.00) which constitutes the total amount that the City of Freeport requires to be raised by taxation for the 2015-2016 Fiscal Year of said City for Public Library Purposes as follows:

Property tax for general library purposes	\$900,413
Special tax for FICA/Medicare	41,000
Special tax for liability insurance	42,000
Special tax for unemployment insurance	8,000

and the City Clerk of the City of Freeport is hereby authorized and directed to file a certified copy of this Tax Levy Ordinance with the County Clerk of Stephenson County, Illinois on or before the last Tuesday of December, 2015.

**MINUTES
REGULAR MEETING
Monday, December 7, 2015**

Upon the first reading, Alderperson Brashaw moved for approval of Ordinance #2015-67 as presented, seconded by Alderperson McClanathan. The ordinance was automatically laid over to the next meeting.

OTHER

REPORTS OF DEPARTMENT HEADS

Public Works

Approval of a Design Build Contract with Winter Construction per instructions given by council on September 21, 2015 to commence negotiations for the Albertus Airport Maintenance Hangar Project in the amount of \$600,000 subject to authorized adjustments as provided in the Design-Build Documents

Provided in the packet was a memorandum from Airport Commissioner Shelly Griswold. It stated: "Attached you will find a standard AIA design-build contract between the City of Freeport and Winter Construction for the replacement of the Albertus Airport maintenance hangar. You'll recall that the former hangar was damaged by winds in 2014 and has since been demolished in anticipation of a new hangar being built. The sole revenue source for the rebuild is insurance proceeds, so we have been sharpening our pencil as we worked with Winter Construction to negotiate this contract, and have arrived at a plan and contract that is within our budget. Time is of the essence, however, if we want to take advantage of some seasonal discounts. Winter Construction was able to negotiate a very favorable steel price because at this point in the season, the vendor will do work for a lower cost to keep their crew employed. The cost to erect the building similarly will be less expensive if we act now and beat the mid-spring rush when contractors will be busier and prices will climb. Ms. Griswold was present and explained that 100% of the hangar is paid by insurance proceeds. Also present was Jon Staben and Airport Manager, Darrell Janssen. Ms. Griswold explained that the insurance proceeds will build out the hangar and there will be a section that will be built out at a later date pending receipt of grant dollars. This will include an office space for the terminal and there will be bathrooms. Alderperson Koester asked if the size was adequate. Mr. Janssen stated it will accommodate their needs and it is big enough for the size airplanes that come into the airport. If there is a jet, it may not fit but the garage door height will be seventeen feet.

Alderperson Koester moved for approval of the proposal as recommended by the Airport Commission and to execute a Design Build Contract with Winter Construction for the Albertus Airport Maintenance Hangar Project in the amount of \$600,000, subject to authorized adjustments as provided in the Design-Build Documents. This motion was seconded by Alderperson Brashaw. The motion prevailed by a roll call vote of;

Yeas: Klemm, McClanathan, Ross, Busker, Brashaw, Koester and Chesney (7)

Nays: none

Community Development

Award of Blight Reduction Asbestos Abatement Bid # R1-BRP-002

Community Development Director Alex Mills noted he provided to council an amended version of his bid tabulation memorandum. It provided that on December 2, 2105 sealed bids for the Blight Reduction Asbestos Abatement project were opened. There are three (3) properties in the initial demolition phase that first require asbestos abatement. Present at the bid opening were representatives from the Legal, Finance, and Community Development Departments. One (1) sealed bid was received for the asbestos abatement, as follows. The bid was

MINUTES
REGULAR MEETING
Monday, December 7, 2015

compliant with the bid specifications.

Ironwood Environmental, Inc. -- The bid amount for asbestos abatement of 701-703 S Carroll was \$1,500.00; the bid amount for asbestos abatement of 917-919 S State Avenue was \$1,750.00; the bid amount for asbestos abatement of 923 S. State Ave was \$1,500.00. The package bid for asbestos abatement of all three properties was \$4,500.00. The price provided to abate asbestos concerns and provide demolition monitoring per specifications was \$7,500.00. Total bid (including demolition monitoring): \$7,500.00.

Director Mills explained at this time, we have not determined the ownership of 917-919 S. State Ave.

Community Development Director Mills stated he is requesting individual award to Ironwood Environmental, Inc. for abatement at 923 S. State for \$1,500.00 and at 701-703 S. Carroll for \$1,500.00. The Community Development Department may recommend awarding asbestos abatement for 917-919 S. State to Ironwood Environmental, Inc. yet this year and will pursue demolition monitoring services as separate contracted services.

Aldersperson Koester moved for approval award of the Blight Reduction Asbestos Abatement to Ironwood Environmental for abatement at 923 S. State in the amount of \$1,500.00 and at 701 -703 S. Carroll in the amount of \$1,500.00. This motion was seconded by Aldersperson Busker. The motion prevailed by a roll call vote of;
Yeas: Klemm, McClanathan, Ross, Busker, Brashaw, Koester and Chesney (7)
Nays: none

Award of Blight Reduction Demolition Bid # R1-BRP-001

Community Development Director Alex Mills provided a memorandum for the bid opening from earlier this day.

On December 7th, sealed bids for the Blight Reduction Demolition project were publicly opened at City hall. There are two (2) properties in the initial demolition phase which require contract demolition. Present at the bid opening were representatives from the Legal, Finance, and Community Development Departments. Three (3) sealed bids were received for the demolitions, as follows. The bids were compliant with the bid specifications.

Bidder	All Properties	701-703 S. Carroll	917-919 S. State
Northern Illinois Service Company	\$36,600.00	\$19,600.00	\$17,500.00
N-Trak Group	\$45,080.00	\$24,600.00	\$21,400.00
Fisher Excavating, Inc.	\$68,000.00	\$36,200.00	\$33,209.00

At this time, we have not determined the ownership of 917-919 S. State Avenue. Therefore, Director Mills requests individual award of demolition for 701-703 S. Carroll for \$19,600.00 to Northern Illinois Service Company. He explained the Community Development Department will continue efforts to determine ownership of 917-919 S. State Avenue and may recommend awarding demolition of 917-919 S. State to Northern Illinois Service Company yet this year.

Aldersperson Brashaw moved for approval award of the Blight Reduction Demolition Bid # R1-BRP-001 in the amount of \$19,600.00 to Northern Illinois Service Company, seconded by Aldersperson Busker. The motion prevailed by a roll call vote of;
Yeas: Klemm, McClanathan, Ross, Busker, Brashaw, Koester and Chesney (7)

**MINUTES
REGULAR MEETING
Monday, December 7, 2015**

Nays: none

Fire

Award of Bid for Three (3) David Clark In-Vehicle Radio Headset System through Mobile Electronics of Forreston Illinois in the amount of \$15,093.78

Fire Chief Scott Miller provided the following memorandum in the council packet: "Communications for the fire service is one of the most critical areas of fire-ground operations. Poorly functioning equipment often leads to missed radio messages and emergency radio traffic. Our department is no exception to gaps in communication capabilities. It is my intention to improve our communications capabilities. Items that need to be addressed in the near future include:

- In-vehicle communications/hearing protection
- Provide mobile data terminals in vehicles (similar to police cars)
- Replace old, underpowered portable radios

"In the current budget, the Fire Department has allocated funding in the Fire Capitol Improvement Fund for the purchase of in-vehicle communication items; specifically, mobile data terminals (vehicle computers) and radio communication headsets.

"I have received quotes for the purchase and installation of three (3) David Clark in-vehicle radio headset systems. This equipment is identical to the communication headsets in the new fire engine, providing for continuity of equipment among apparatus. David Clark sells only through a network of authorized dealers. Quotes received are as follows:

- | | |
|--|-------------|
| • Mobile Electronics - Forreston, IL: | \$15,093.78 |
| • Communication Service – Madison, WI: | \$17,430.50 |
| • CommElec – Dubuque, IA: | \$18,037.50 |

"I am requesting approval to authorize Mobile Electronics of Forreston, Illinois to provide and install three (3) complete David Clark communication headsets.

"I will propose the purchase and installation of mobile data terminals at a later date, pending thorough review of available options."

Aldersperson Busker made a motion to authorize the purchase through Mobile Electronics of Forreston, Illinois to provide and install three (3) complete David Clark communication headsets in the amount of \$15,093.78. This motion was seconded by Aldersperson Koester.

Aldersperson Ross asked about waterproofing of the headsets. Chief Miller explained they are water resistant. Aldersperson Koester explained that he has done a lot of research and recommended the head sets. It was noted this will be paid for out of the Capital Equipment fund.

Discussion was held on the noise reduction of the head sets and the advantage they would bring to the different officers on the truck based on the experience as a firefighter by Aldersperson Koester.

MINUTES
REGULAR MEETING
Monday, December 7, 2015

The motion prevailed by a roll call vote of;

Yeas: Klemm, McClanathan, Ross, Busker, Brashaw, Koester and Chesney (7)

Nays: none

Finance

Aldersperson Chesney stated he has learned our financial audit was due on October 26, 2015 and we recently received an extension to December 26, 2015 and if we do not complete the audit which he has been told is not going to happen we are then going to be fined by the State. The reason he brings this to our attention is because the audit has a number impacts one being our ability to seek grants. He has also been told that our grant revenue has not been booked correctly. Aldersperson Chesney stated he is really struggling with the Finance Department as to how that is going to look. In light of Director Haggard's resignation on October 30th we haven't posted the positions and he asked for an overview as to what the plan is for the finance department so we can obtain clarity as to what is going to look like moving forward.

Mayor Gitz stated the audit is late and it would have been late under Director Haggard as well. He is not happy about it. We will not only address that issue, there are a number of issues in the Finance Department. There are other reports as well. He has asked Mr. Price to itemize all the areas that need attention. We are looking for resources to supplement our regular staff primarily in the accounting function to do those reports. Historically the State of Illinois has been very understanding when we have had issues so he is not terribly concerned about fines but he is concerned about expediting this process. One of the things that is of great concern to me is there are a lot of general ledger entries that should have been made and were not. They have not been made for a long time. Mayor Gitz stated the point right now is to identify the issues and the reserves as necessary. He had meetings set up with the auditors, accounting firms and banks.

Aldersperson Chesney asked if there was intent to post the Finance Director position to get an idea for interest because best case scenario we are looking at 60 days. We have Mr. Price who is leaving in a month and we hired a temp it just doesn't sound like there is any structure and why would we not post Finance Director.

Mayor Gitz stated we need to examine what are the functions of the Finance Department, those that can be consolidated and what the key issues are. He stated there are a number of issues including our software. The position should be defined as to the exact skill sets that are needed. We can put a generic position out there but that is what you are going to have. He reviewed the skill sets and the importance of defining the critical needs of the City for the short term and long term. He is dealing with this as his number one concern.

Discussion was held as to whether having a Finance Director would help contribute to that structure and Mayor Gitz stated he will have an in-depth conversation with Aldersperson Chesney to address his concerns.

Aldersperson Koester requested what is the time frame. Mayor Gitz stated his time frame is like yesterday and he has a sense of urgency. Aldersperson Koester requested a report and update of the status at each council meeting. Mayor Gitz stated he will keep the council apprised of the status.

Aldersperson Chesney stated because of moving out the deadlines for the audit and wondered whether the December 26, 2015 deadline can be met and there may be another 30-40 days before the audit is going to be completed and perhaps we will be assessed some fine. He asked Mayor Gitz if he had a drop dead date for when he expects the audit to be complete so we can move past that. Mayor Gitz stated he cannot answer that question

MINUTES
REGULAR MEETING
Monday, December 7, 2015

until we know what he is dealing with. He is beyond not happy and he wants to solve this problem and he wants to audit done quickly, he wants that ledger reconciled and he wants to understand how we got to where we are. That implication goes beyond the audit, it goes to the situation that we have with special funds in Water & Sewer. He explained that we need an accounting of the funds that have been collected and where they have gone, so he considers this to be an important process.

Public Works

Director Dole stated he provided activity reports on the council desks and had no report.

Library

Freeport Public Library Director Carole Dickerson provided information on all the Christmas activities at the library. She encouraged participation in the community book drive to donate books to needy children.

Fire

Fire Chief Scott Miller reported there are toy drive collection boxes available at the three fire stations to benefit the children at Amity Day Care.

Aldersperson Chesney requested an update on the sale of the West Avenue former fire station. Chief Miller stated he is working with the mayor on a flyer and they had one showing. The brochure provides some detail on the lot and the possible subdivide for use by the Fire Department. Discussion was held as to whether there was an advantage to list with a local agent, the benefit of placing a sign in the yard and advertising. It was noted that Aldersperson Chesney can provide assistance.

Police

Chief of Police Todd Barkalow provided information on the annual "Shop with a Cop" to help out 22 needy children to bring a little Christmas cheer into their lives by shopping with Police personnel at Shopko on Saturday. Chief Barkalow provided information on "Conversations over Pizza" held with the Housing Authority next Wednesday. Chief Barkalow provided information on the "Red Ribbon Week" campaign promoted at the schools to encourage appropriate behavior when it comes to drug and alcohol.

Water and Sewer

Water and Sewer Executive Director Tom Glendenning was not present.

City Engineer

City Engineer Shaun Gallagher provided an update on the Phase B project. The north Harlem Avenue water main portion of the project is complete. They will be able to complete a minimum of curb before the weather but they were able to replace the driveways. The work on the surface cuts will be temperature driven. The contractor will install the sidewalk on the east side and although this is only one side of the street it allows pedestrians to have safe passage along Harlem. The road will be completed late June. The work will continue around the hospital and further work will pick up again in early February or March. Engineer Gallagher has been completing the inspection work and this is saving the project about \$1,000 per day.

Engineer Gallagher stated he will provide to council information on the 314 W. Stephenson Street proposed layout at the Committee of the Whole meeting next Monday. The work crews will begin the interior demolition later this year. He will present the 2016 Street Program once the funding is released by the State of Illinois. Next

MINUTES
REGULAR MEETING
Monday, December 7, 2015

Committee of the Whole he should have the landfill engineering contract ready to be presented. He will be meeting with Prairie Forge next week on the status of the 230 W. Stephenson Building.

City Engineer Gallagher provided information on the past due notice for MFT and he has confirmed with Illinois Department of Transportation that the State will waive the receipt as long as their funds are outstanding. We will have 90 days once their funds are received to pay. Today notice was received that the bill passed in the Senate and we are waiting to hear if it passed in the House. This would then release funds to the City of MFT. Mayor Gitz will submit notice to the council regarding this. Alderperson McClanathan asked if Engineer Gallagher will be presenting the MFT formula next week and when he does if it could include suggestions to bridge the gap to complete projected projects. Engineer Gallagher stated he would rather wait until he is assured funding by the State so it could be early 2016.

Alderperson Chesney asked about the money that is owed by Stephenson County. Engineer Gallagher confirmed that amount to be \$85,000. Alderperson Chesney stated he will be meeting with County Board president. It was noted that Stephenson County will pay the City when they finish paying the Freeport Park District the money they owe to them first. Alderperson Koester stated he spoke with a County board member and we should be receiving it shortly as it was put into the budget.

MAYOR'S REPORT

Mayor Gitz provided a report on the General Assembly and the IML Board who have been working on proactive bills for municipalities. He introduced the Boy Scout Troop from Pack #19 who meets at Faith United Methodist Church. They are at the council as a way to earn their Community Merit badge. Members of the Boy Scout Troop were introduced. Also introduced were members of the Chamber of Commerce Advocacy Committee - Brad King and Kim Grimes.

COUNCIL ANNOUNCEMENTS/NEW BUSINESS

Alderperson Klemm spoke about the advantages of scouting and local survivors of Pearl Harbor. He asked the lost souls and veterans of Pearl Harbor to be remembered.

Alderperson McClanathan spoke about the raising of the Victory statue at the Stephenson County Courthouse and commended those who worked so hard on the effort to bring it back.

Alderperson Ross spoke about an invoice that was forwarded to him by Brendan Walsh, chairperson of the Pecatonica River Cleanup. There is an outstanding bill of \$228.00 to dispose of 168 tires that were pulled from the river. Alderperson Ross made a motion to recommend for payment the \$228.00 bill to Mowry Auto Parts for the river cleanup project, seconded by Alderperson Koester. Motion prevailed by a roll call vote of:

Yeas: Klemm, McClanathan, Ross, Busker, Brashaw, Koester and Chesney (7)

Nays: none

Alderperson Busker stated the 5th Ward Neighborhood Watch will not meet in December and will resume in January.

Alderperson Brashaw thanked those citizens in the 6th Ward who are assisting those in need with snow shoveling. She encouraged contributions for the Amity toy boxes that are located at the Fire Stations and Slumberland. She spoke about property taxes and that we cannot tax the City into prosperity.

MINUTES
REGULAR MEETING
Monday, December 7, 2015

Aldersperson Koester provided his opinion on the tax levy. He stated the City has not taken an increase for the last five years. He stated we cannot keep the City going with a 0% tax levy especially with the State freezes. He asked where will the City get the money. Birthday wishes were given to Aldersperson Koester and Fire Chief Miller.

PUBLIC COMMENTS – AGENDA OR NON-AGENDA ITEMS

Tom Teich, Freeport Illinois spoke about the properties known as Bookie Tap and Okey Dokey in the hope that they will be torn down soon.

Jon Staben, 1070 Canyon Drive provided an update on the Stephenson County Courthouse Civil War Monument and thanked the citizens of Freeport for their generosity to restore this landmark back to its place. There is still work to do on the iron fencing and funds are needed to complete the project. He stated he can't say enough about the positive community support and assistance.

Upon motion duly made and seconded, the meeting was adjourned at 8:04 p.m.

s/ Meg Zuravel

Meg Zuravel
City Clerk