



City Council

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

MINUTES

REGULAR MEETING

MONDAY, APRIL 18, 2016 AT 6:00 P.M.

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 Monday, April 18, 2016.

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).

Representing the City of Freeport was Michael Phillips, Esq. as Interim Corporation Counsel.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Alderperson McClanathan.

APPROVAL OF AGENDA

Mayor Gitz noted the "Day of Prayer" proclamation was not completed on time and asked to hold off having an executive session until a later date when the report was updated. Alderperson Koester moved for approval of the agenda as amended, seconded by Alderperson Klemm. Motion prevailed by voice vote without dissent.

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The minutes from the regular meeting on April 4, 2016 were presented for approval. Alderperson Koester moved for approval, seconded by Alderperson Ross. Motion prevailed by voice vote without dissent.

PUBLIC COMMENTS – AGENDA ITEMS

Mayor Gitz requested leave of council to hear from the first public commenter on a non-agenda item. Leave was granted by the council.

Rodney Voss spoke about support of the Highland Community College student senate donor drive on May 3, 2016 from 10:00 am to 2:00 pm. This will be a bone marrow match registry and is open to the public.

Jon Staben, 1070 N. Canyon Drive, Freeport Illinois, provided information on a Legal Department survey he conducted four years ago when he had considered recommending a similar action. Upon review of his survey, he estimated moving to outsource legal counsel at the same level of services that were being provided at the time would cost the City 20% more. That was four years ago and he hopes the City Council will consider that when they appropriate the money for 2016-2017. He stated he already knows lawsuits are coming. He provided information on working with the Attorney General's office and they referred him to the City's corporation counsel. He stated that if the City does not have an employed legal counsel, then citizens with concerns of ethics or legal action resolution of those problems will go to the Attorney General of the State of Illinois.

Danielle Rogers, 132 N. Park Boulevard spoke in support of the Resolution 2016-23 for City Centre Initiative. She stated the goal of the City Centre is to bring vitality to the downtown, make arts a priority, and meet the needs of

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investors through financing. She explained it is a benefit to “live, work and sleep” in the downtown area. She spoke about the importance of the volunteerism and new investment in the downtown.

John Ginger, 423 S. Beaver Street spoke about the Air-One Resolution. He noted they store helicopters at the Albertus Airport with no lease and rent free. He noted the other hangar tenants would pay \$400 per month and noted they rarely purchase fuel. He explained that Air-One uses the hangar but if someone else were to want to rent it they would vacate that hangar.

Dean Wright, 341 S. Main Street, Pearl City Illinois, spoke as a team leader for the City Centre Freeport, a movement that is focused on the revitalization of downtown Freeport through the development and restoration of buildings and the streetscape. He stated his support of the Resolution R-2016-23 and encouraged the support of the City Council. Mr. Wright explained the critical components of the City Centre Freeport implementation plan that addresses building utility conductivity, adaptive reuse plans, and gap financing. He stated the goals of the City Centre and their hope to repopulate the downtown and to bring in new businesses. He provided information on the Pretzel City Kitchens and stated he looks forward to its opening.

Peter McClanathan, 1908 W. Laurel, Freeport, Illinois, provided the background for the mayoral veto for the ordinance discontinuing the Legal Department. He stated he does not want this to cause further political polarization on the issue. He stated the ordinance was co-sponsored by Alderperson Chesney and Klemm. He spoke about Alderperson Klemm’s history on the council and other public boards. He stated based on his analysis the costs really are somewhere between the high end number and the low end number. He agreed there are items that should not be counted against the cost of the Legal Department including the settlement agreement. He also noted there are costs associated with the department such as benefit costs and different legal fees paid out of line items from other funds. He stated there should be an analysis of how we were operating and the operating costs of different models. He stated he has had conversations with constituents some for and some against, staff and department heads. He valued all the comments presented and factored that into the information received and developed and he came to the conclusion that the model that we operated under was not the appropriate model. He stated that is the same conclusion of other municipalities in the surrounding area. He explained the mayor continues to have a wide latitude in how we proceed going forward. He retains the authority to make an appointment for city legal counsel subject to the consent of council. He recommended an RFP or RFQ process as a vehicle for achieving the cost savings and the mayor has the prerogative of proceeding in a different way. He requested that any disagreement be limited to the substantive issues raised regarding disagreements as to the best way to provide efficient services at efficient costs. He offered his service to facilitate the communication to implement the changes.

PRESENTATION

Mayor Gitz provided recognition of the ABATE of Illinois Freeport Chapter upon their 30th Anniversary. Alderperson Koester explained the main goal of the ABATE Chapter is motorcycle rights and education. He introduced Scott Gerkey and Dennis Kleaver. The Freeport Chapter is the 3rd oldest chapter in Illinois and they lobby for motorcycle rights in Springfield and Washington DC and also teach motorcycle awareness in driver’s education classes. The ABATE of Illinois Freeport Chapter also participate in various fundraising activities to benefit the community.

Alderperson Klemm recognized the volunteers involved in the clean up along the Pecatonica River at the Hancock Bridge location. He introduced Joe Ginger, Lee Butler and Roger Schamberger. They provided information and recognized the assistance of Stephenson Service Company and their truck used to lift large logs and limbs to clean the banks and river. They also recognized Ross and Gary Vehmeier for their work and dedication to the project.

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COMMUNICATIONS TO COUNCIL

NOTICE OF APPOINTMENT OF INTERIM CORPORATION COUNSEL

The following memorandum was dated April 14, 2016 and read aloud by City Clerk Zuravel:

"Pursuant to Section 288.04 (b) of Chapter 288, Officers and Employees Generally of the Codified Ordinance of the City of Freeport, Mayor James L. Gitz makes a temporary appointment of Michael J. Phillips, Esq. to fill the vacancy of the Corporation Counsel, for a period not to exceed ninety days. This appointment shall become effective at 12:01 a.m. on Saturday, April 16, 2016. Mayor Gitz requested a motion to receive and place the communication on file. Alderperson Koester moved to receive the memorandum and to place it file, seconded by Alderperson Busker. Alderperson Chesney asked about the temporary appointment. He stated effective May 1 will the services of Mr. Phillips still be sought by the City of Freeport. Mayor Gitz stated yes. Alderperson Chesney stated the last contract that Mr. Phillips engaged in with the City of Freeport had in his retainer agreement that only the mayor of the City of Freeport and/or his designee shall possess the authority to assign the firm to perform legal services and he asked the impact that has on the City Council and/or the residents of Freeport if something similar is drafted in that way. Mayor Gitz stated the memo that was shared to council from Ancel Glink clearly indicated that the mayor is vested with the power also by our code to appoint inner counsel for a period not to exceed 90 days. The appointment of corporation counsel is an essential necessity based on the fact that we do not have a corporation counsel at this time. He explained the provisions of temporary counsel do not preclude the council from interacting with Mr. Phillips. He reminded council members of conversations they have had with Mr. Phillips as recently as today. Alderperson Chesney asked Mayor Gitz to speak on the access of Mr. Phillips and his hourly rate. Mayor Gitz explained that his hourly rate is the same as we had before until we have a retainer agreement. Mayor Gitz explained that access to the legal counsel is not the same as the appointment authority. He explained this is not a joint decision like a contract that is let by the council these are professional services and the corporation counsel is an officer of the City and thereby is an appointment by the Mayor. Mayor Gitz stated he has made this step on a temporary basis because we have an immediate need for legal assistance.

Alderperson Koester stated he is confused on this. He stated he has gone to Mr. Phillips on a number of issues and he has helped him with those and he heard before there was restriction on council having access to him. He explained that he was able to obtain his answers and was able to talk to him as needed.

The motion to receive and place the communication on file prevailed by voice vote without dissent.

VETO MESSAGE #1 TO ORDINANCE 2016-23 B

Mayor Gitz requested City Clerk Zuravel to read the veto message #1 into the record which was titled, "Return of Ordinance 2016-23 B "AN ORDINANCE AMENDING CHAPTER 238 ENTITLED "PURCHASES AND CONTRACTS" TO CREATE A NEW SECTION 238.25 TO BE ENTITLED "CONTRACTS FOR OUTSIDE PROFESSIONAL CONSULTANTS" OF THE CODIFIED ORDINANCES OF THE CITY OF FREEPORT, ILLINOIS with the Mayor's written objections." Pursuant to State Statute the Mayor's written objections shall be provided to City Council at the next regular meeting of the City Council after its passage which is the April 18, 2016 City Council meeting. The veto message stated:

"Pursuant to the provisions of Illinois law including but not limited to 65 ILCS 5/3.1-40-45, please accept this document as my formal statement of disapproval of the entirety of and my written objections to proposed Ordinance 2016-23 B, An Ordinance Amending Chapter 238 Entitled "Purchases And Contracts" To Create A New Section, Section 238.25 To Be Entitled "Contracts For Outside Professional Consultants" Of The Codified Ordinances Of The City Of Freeport, Illinois. During the legislative process leading up to passage of this ordinance, the Council never clearly specified why this ordinance was needed, what problems they were seeking to address, or how much they intended to spend on this new feature of the City government. Thus the citizens are left to

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guess what problem the City Council is seeking to solve, how this provision will be utilized and how the City Council proposes to pay for it. Likewise, the relationship between the proposed City Council attorneys/consultants and the staff, including Corporation Counsel, is unspecified. This potentially amounts to a form of “dueling banjos”. The inevitable loser will be the people of Freeport. The taxpayers will pay for both sets of consultants/attorneys – even though the City Council claims that it wishes to save money on legal expenses and consulting services. The irony of this situation should not be lost on anyone. The drive for separate attorneys that answer only to the City Council and only the City Council is underscored by the City Council’s addition to the agenda for the April 18, 2016 Council meeting. That agenda includes a “draft document” authorizing the issuance of a Request for Proposal (RFP) for legal work. Illinois law is clear. The mayor appoints legal counsel and the mayor hires legal counsel for the corporation known as the City of Freeport. The proposed RFP process for the City’s legal representation is both improper and premature. The fact that the City Council seeks not only to hire its own consultants while also imposing itself on the selection of the City’s regular legal counsel should be troubling to the people of Freeport. In effect, the City Council is seeking to control the day to day functions of the City through its legislative powers without regard to the Mayor’s authority and role as appointing authority and director of the staff. Court decisions are clear that such actions are contrary to current Illinois statutory and case law. I hereby veto and disapprove of the entirety of this proposed ordinance because the reasons for separate consultants and legal counsel have not been clearly identified nor has the need been established for it. Likewise, the proposed ordinance will increase the cost of government without showing the need or benefit for such additional attorneys and consultants. Finally, given recent events, this ordinance appears highly likely to be used to interfere with the Mayor’s authority as chief executive officer of the City as well as the day to day functions of City departments. I stand ready to work with the City Council to ensure that the Alderpersons have the information they need to perform their public duties. If and when the City Council can present documentary evidence showing the need for the hiring of such additional outside consultants and attorneys and the source of additional funds to pay the costs of said outside consultants and attorneys, then I am willing to discuss a new ordinance for such assistance.” This was signed by James Gitz, Mayor.

Mayor Gitz explained that the veto message does not require action by council. It is read into the record by State Statute. A motion to reconsider or override is appropriate at the next regular meeting of the City Council.

VETO MESSAGE #2 TO ORDINANCE 2016-24

Mayor Gitz requested City Clerk Zuravel to read the veto message #2 into the record which was titled, “Return of Ordinance 2016-24 AN ORDINANCE DISCONTINUING THE LEGAL DEPARTMENT OF THE CITY OF FREEPORT AND AMENDING CHAPTER 234 OF THE CODIFIED ORDINANCES OF THE CITY OF FREEPORT, ILLINOIS TO PROVIDE FOR THE POSITION OF CITY LEGAL COUNSEL with the Mayor’s written objections”. Pursuant to State Statute the Mayor’s written objections shall be provided to City Council at the next regular meeting of the City Council after its passage which is the April 18, 2016 City Council meeting.

“Pursuant to the provisions of Illinois law including but not limited to 65 ILCS 5/3.1-40-45, please accept this document as my formal statement of disapproval of the entirety of and my written objections to proposed Ordinance 2016-24, An Ordinance Discontinuing the Legal Department of the City of Freeport And Amending Chapter 234 of the Codified Ordinances of the City of Freeport, Illinois To Provide For The Position Of Chief Legal Counsel. I do not take this action lightly. It is not my desire to create conflict with the City Council. However, the complete abolition of the City’s Legal Department without consultation with the mayor and staff, without proper study beforehand and without forethought to the disruptive impact on City day to day operations is not in the best interests of the people of Freeport. The complete elimination of the department on such short notice is hasty, ill-advised and ill conceived. The implementation of this ordinance will lead to one of two outcomes: either the City will skimp on legal services or the City will pay substantially more to outside counsel for the same services that were previously performed in-house. The City’s Corporation Counsel does far more than attend City Council

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meetings, draft ordinances, supervise litigation or answer City Council inquiries. Corporation Counsel advises departments on a daily basis, reviews all contracts, serves as lead negotiator for the City's collective bargaining agreements, oversees personnel issues, interfaces with our Risk Management Association and sees that the City's legal needs are met on dozens of issues at a given time. Outsourcing all of these functions means that City departments and staff will have legal counsel only at the convenience of the provider. It also means that our staff will either forgo routine legal consultation before they act – or incur a bill every time they pick up the phone. Either outcome is a step backward. Some members of the City Council claim that outsourcing legal services will be less expensive than in-house counsel. They claim that legal expenses will exceed \$450,000 this fiscal year. According to the City's Finance Department, this is incorrect. The actual costs of the Legal Department will be approximately \$202,000 for the current fiscal year, not including onetime expenses that could not be foreseen at the beginning of the fiscal year. So where does the \$450,000 figure come from? It includes treating a settlement agreement for another department as a legal expense, treating interim counsel for a Family Medical Leave as a recurring legal expense and including the Department's legal assistant as a legal expense even though she also serves as Deputy Clerk. It includes counting appropriations as actual expenditures to name but a few of the problems with this figure. A true comparison would be the City's average legal expense over several years, not a single year. It would also include comparisons with other cities with very active legal issues. The City staff has conducted a survey of similar sized cities for total legal costs of legal counsel. That survey is readily available. It has been shared with the City Council. It clearly indicates that the City of Freeport's total legal expenses are in line with what other communities pay for legal services, whether by in-house counsel or outsourced. Ironically, Freeport ranked in the lower quartile of all cities surveyed. Prior to pushing through an ordinance of this kind, the City Council should undertake a study of legal services and their cost effectiveness -- as the Journal Standard editorially suggested. Such an effort would have my full support. But, the immediate termination of the Legal Department with all the attendant disruption it will cause, will neither save money nor increase efficiency. Instead, it will severely disrupt the effective administration of day to day operations, including two sensitive collective bargaining agreements that involve substantial changes. You can save money on the water and sewer system by failing to make repairs or in the Public Works Department by failing to repair streets. But, the savings would be illusionary. So it is with this ordinance. I am all in favor in making cost saving changes to protect the residents of Freeport. What I cannot support is taking drastic action – such as eliminating a whole department without much study, thought or discussion. I am asking the Council Members who support this Ordinance to slow down, engage in open discussion and look at the real facts. For these reasons, I am vetoing this ordinance.” This was signed by James Gitz, Mayor.

Aldersperson Chesney asked Mr. Phillips if these ordinance vetoes will be placed on the next regularly scheduled meeting agendas automatically or is there a motion that needs to be made tonight for that to happen. Interim Corporation Counsel Phillips stated it does not need any action by the City Council and the State Statute states the council shall reconsider at the first regular meeting after the council receives the veto.

Aldersperson Chesney asked, “Provided the vetoes are passed by 2/3 majority of the council specific to the dissolution of the City Council (*Corporation Counsel*) what then is the effective date of that particular ordinance?” He asked is it retroactive to the day it originally passed. Interim Corporation Counsel Phillips replied the Statute states it goes into effect once six alderspersons vote to pass it notwithstanding the mayor's veto. Aldersperson Chesney stated he was thinking you would arrive at that conclusion. He stated he provided to each of the alderman a memorandum with a legal opinion on it. He will also provide a copy to Mayor Gitz and Attorney Phillips. He stated that was not the conclusion that an outside counsel came to that if the City Council does successfully pass and override the veto at the next regularly scheduled meeting that it does go into effect at the time of passage. He stated there is case law to support that and that has been emailed to the council with an attorney opinion from a municipal attorney with 75 years practice.

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Mayor Gitz explained the purpose of tonight's veto is to comply with the Statute correctly. He stated all other issues will have their time and place.

CONSENT AGENDA

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

- A. Approval to Receive and Place on File:
 - 1) Police Department Report on Activities for March 2016
 - 2) Building Permit Report on Activities for March 2016
- B. Approval of Resolution R-2016-19, Resolution To Co-Sponsor Music At Debate Square With Lincoln-Douglas Society
- C. Approval of Water & Sewer Bills Payable (Registers #525, 530, 532) --- \$481,951.05
- D. Approval of Payroll for pay period ending April 2, 2016 --- \$421,613.58
- E. Approval of Finance Bills Payable (Registers #523, 524, 526, 527, 528, 529, 531, 533) -- \$650,209.47

Aldersperson Busker moved for approval of the consent agenda, seconded by Aldersperson Klemm. Motion prevailed by a roll call vote of;

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

Nays: none

ORDINANCES -- SECOND READING

2nd READING OF ORDINANCE #2016-25:

An Ordinance Amending The Boundaries of the Joint City of Freeport – County of Stephenson Certified Enterprise Zone (*expansion of Helm Group*)

The first reading was held on April 4, 2016. A motion to adopt was given by Aldersperson McClanathan, seconded by Aldersperson Miller and the ordinance was automatically laid over to tonight's meeting. Upon the second reading and no discussion, the ordinance passed by a roll call vote of:

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

Abstain: Ross

Nays: none

Ordinance #2016-25 was passed.

2nd READING OF ORDINANCE #2016-28:

An Ordinance to Supplement the Appropriation Ordinance Fiscal Year 2015-2016 For the City of Freeport, Illinois (Fifth Supplemental) [Amended Version provided for April 18, 2016](#)

The first reading was held on April 4, 2016. A motion to adopt was given by Aldersperson Chesney, seconded by Aldersperson Busker and the ordinance was automatically laid over to tonight's meeting.

Mayor Gitz stated the there was a final version (with a footer 2015-2016 Fifth Supplemental Appropriation 4_18_2016 final) placed in the council packet. An excerpt of the ordinance as provided is listed below:

ORDINANCE NO. 2016-28 (*As amended for April 18, 2016*)

Be It Ordained By The City Council Of The City Of Freeport, Illinois As Follows:

Section 1. That the below listed Appropriations in the Annual Appropriation Ordinance of the City of Freeport for Fiscal Year beginning on May 1, 2015 and ending on April 30, 2016, commonly known as

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City of Freeport Ordinance No. 2015-33 and further supplemented by City of Freeport Ordinance Numbers 2015-56, 2015-58, 2015-61, and 2016-19 is hereby further supplemented as follows:

- A. General Fund – Commissions, Line Item 01-11-599, Total Contractual Services shall be increased by \$1,400 from \$12,300 to \$13,700 for additional training costs for the new commissioners. This shall be offset by a decrease in Mayor’s Office Line Item 01-21-599, Total Contractual Services by \$1,400 from \$13,000 to \$11,600.
- B. General Fund – City’s Clerk’s Office, Line Item 01-13-499, Total Personnel Budget shall be increased by \$8,300 from \$59,149 to \$67,449 for Personnel expenses to share an administrative assistant. This shall be offset by a decrease in Legal Department, Line Item 01-33-499, Total Personnel Budget from \$140,760 to \$132,460. This is due to a previous commitment to share one individual between two departments.
- C. General Fund - Office of Finance and Budget – Line Item 01-31-599, Total Contractual Services shall be increased by \$13,000 from \$26,150 to \$39,150 due to additional contractual service contracts for finance department services and ACA Services. This shall be offset by a decrease in Line 01-31-499 Total Personnel Budget of \$3,000 from \$115,700 to \$112,700 and a decrease in Management Information Systems Line Item 01-62-599, Total Contractual Services by \$10,000 from \$24,680 to \$14,680.
- D. General Fund – Department of Public Works – Line Item 01-41-599, Total Contractual Services shall be increased by \$12,000 from \$46,600 to \$58,600 for two one-time unforeseen additional contractual services. This shall be offset a decrease in Line Item 01-41-499, Total Personnel Budget by \$9,000 from \$63,900 to \$54,900 and a decrease in the Street Department Line Item 01-44-599, Total Contractual Services by \$3,000 from \$217,870 to \$214,870.
- E. General Fund - General Government Buildings – Line Item 01-42-599, Total Contractual Services shall be increased by \$18,000 from \$157,500 to \$175,500 for unexpected building contractual repair services and Line Item 01-42-699, Total Supplies shall be increased by \$6,000 from \$9,800 to \$15,800 for additional natural gas expenses for public safety buildings. These shall be offset by decreasing the Street Department Line Item 01-44-799, Total Supplies by \$24,000 from \$474,500 to \$450,500.
- F. General Fund - Airport Authority – Line Item 01-43-599, Total Contractual Services shall be increased by \$5,900 from \$106,800 to \$112,700 for additional contractual repairs to maintenance equipment. These shall be offset by decreasing Line Item 01-43-699, Total Supplies by \$5,900 from \$28,700 to \$22,800.
- G. General Fund - Street Department – Line Item 01-44-499, Total Personnel Budget shall be increased by \$25,000 from \$701,250 to \$726,250 for additional personnel cost due to a false assumption of double accounting. This shall be offset by a decrease in Line Item 01-44-699, Total Supplies by \$25,000 from \$450,500 to \$425,500.
- H. General Fund – Forestry – Line Item 01-46-499, Total Personnel Budget shall be increased by \$5,000 from \$98,100 to \$103,100 for additional labor services. This shall be offset by a decrease in Line Item 01-46-599, Total Contractual Services by \$5,000 from \$21,000 to \$16,000.
- I. General Fund - Traffic Engineering – Line Item 01-47-599, Total Contractual Services shall be increased by \$8,500 from \$16,000 to \$24,500 for additional traffic light repairs. This shall be offset by a decrease in Line Item 01-47-699, Total Supplies by \$500 from \$2,500 to \$2,000 and a decrease in the Street Department Line Item 01-44-699, Total Supplies by \$8,000 from \$425,500 to \$417,500.
- J. General Fund – Street Lights – Line Item 01-47-699, Total Supplies shall be increased by \$16,000 from \$189,000 to \$205,000 for additional utility costs not budgeted prior to the MFT adjustment. This shall be offset by a decrease in Street Department Line Item 01-44-699, Total Supplies by \$16,000 from \$417,500 to \$401,500.
- K. General Fund – Fire Department – Line Item 01-52-499, Total Personnel Budget shall be increased by \$12,800 from \$3,124,900 to \$3,137,700 for additional salaries. These shall be offset by a decrease in Line Item 01-52-599, Total Contractual Services by \$1,200 from \$77,900 to \$76,700 and a decrease in Line item 01-52-699, Total Supplies by \$11,400 from \$74,700 to \$63,300 and a decrease in Line item 01-

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- 52-799, Total Capital Outlay by \$200 from \$1,500 to \$1,300. This is due to retirement, vacation and workers compensation pay-outs.
- L. General Fund – Building Department – Line Item 01-53-499, Total Personnel Budget shall be increased by \$1,200 from \$93,675 to \$94,875 for additional salaries. These shall be offset by a decrease in Line Item 01-53-599, Total Contractual Services by \$1,200 from \$21,150 to \$19,950.
 - M. General Fund - Animal Control – (this is titled incorrectly on Appropriation Ordinance) Line Item 01-54-499, Total Personnel Budget shall be increased by \$1,900 from \$46,700 to \$48,600 for additional labor services, and Line Item 01-54-799, Total Capital Outlay shall be increase by \$200 from \$1,700 to \$1,900 for a new camera replacement. These shall be offset by a decrease in Line Item 01-54-599, Total Contractual Services by \$1,900 from \$7,525 to \$5,625 and a decrease in Street Department Line Item 01-44-799, Total Capital Outlay of \$200 from \$2,500 to \$2,300.
 - N. General Fund - Human Resources – Line Item 01-61-499, Total Personnel Budget shall be increased by \$1,900 from \$58,750 to \$60,650 for additional wages and to increase Line Item 01-61-599, Total Contractual Services by \$1,200 from \$12,800 to \$14,000 for additional advertising. These shall be offset by a decrease in Line Item 01-63-599, Total Contractual Services of \$3,100 from \$402,375 to \$399,275.
 - O. General Fund - Interdepartmental – Line Item 01-63-799, Total Capital Outlay shall be increased by \$700 from \$0 to \$700 for a shared projector. This shall be offset by a decrease in Line Item 01-63-699, Total Supplies of \$700 from \$8,400 to \$7,700. Line Item 01-63-999, Total Interfund Transfers shall be increased by \$19,000 from \$608,959.78 to \$627,959.76 for additional IMRF expenditures. This shall be offset by a decrease in Line Item 01-63-499, Total Personnel Budget of \$19,000 from \$6,102,556.72 to \$6,083,556.72.
 - P. Water Fund – Line Item 80-00-499, Total Contractual Services shall be increased by \$5,000 from \$273,500 to \$278,500 for additional engineering services. This shall be offset by a decrease in Line Item 80-00-699, Total Supplies of \$5,000 from \$538,600 to \$533,600.
 - Q. Sewer Fund – Line Item 81-00-799, Total Capital Outlay shall be increased by \$195,000 from \$12,500 to \$207,500 for sewer construction and Line Item 81-00-599, Total Contractual Services shall be increased by \$5,000 for additional engineering support. This shall be offset by a decrease in Line Item 81-0-499, Total Personnel Budget by \$100,000 from \$1,533,082.71 to \$1,433,082.71 and Line Item 81-0-699, Total Supplies by \$100,000 from \$697,750 to \$597,750
 - R. Storm Fund – Line Item 82-00-499, Total Personnel Budget shall be increased by \$3,000 for additional employee benefits from \$51,600 to \$54,600 and Line Item 82-00-599, Total Contractual Services shall be increased by \$5,000 from \$2,500 to \$7,500 for additional maintenance services. This shall be offset by a decrease in Line Item 82-0-699, Total Supplies by \$8,000 from \$26,750 to \$18,750.
 - S. Library Fund – Line Item 13-00-799, Total Capital Outlay shall be increased by \$1,500 for replacement of old computers from \$6,000 to \$7,500. This shall be offset by a decrease in Line Item 13-00-699, Total Supplies by \$1,500 from \$177,550 to \$176,050.
 - T. Motor Fuel Tax Fund – Line Item 16-00-999, Transfers shall be increased by \$280,000 from \$894,000 to \$1,174,000 for additional capital project work. This shall be offset by an increase in revenues from other local sources.
 - U. Downtown TIF District Fund – Line Item 25-00-999, Total Interfund Transfers shall be increased by \$5,112.82 from \$63,548.88 to \$68,661.70 for additional debt service payment. This shall be offset by a decrease in Line Item 25-00-599, Total Contractual Services from \$396,746.66 to \$391,633.84.
 - V. Fire Improvement Fund – Line Item 32-00-599, Total Contractual Services shall be increased by \$5,000 from \$122,400 to \$127,400 for additional vehicle repairs. This shall be offset by a decrease in Line Item 32-00-799, Total Capital Outlay from \$331,102.51 to \$326,102.51.
 - W. Street Capital Project Fund – Line Item 34-21-599, Total Contractual Services shall be increased by \$50,000 from \$894,011 to \$944,011 for additional project costs. This is offset by an additional \$50,000 in funds that has been received from Motor Fuel Tax Fund.

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- X. Illinois Municipal Retirement Fund – Line Item 15-00-499, Total Personnel Budget shall be increased by \$19,000 this will be offset by additional funds transferred from the general fund (See General Fund Interdepartmental).

Section 2. That all other provisions of City of Freeport Ordinance Numbers 2015-33, 2015-56, 2015-58, 2015-61 and 2016-19, shall remain in full force and effect without change.

Section 3. 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.

Bernie Mrugala, Finance Department Consultant reviewed each of the above stated line items and council members were provided the opportunity to ask questions to verify their understanding of what had changed. Mr. Mrugala explained the proposed ordinance does not make any change in the bottom line of the original Appropriation Ordinance for Fiscal Year 2015-2016. He stated the proposed Ordinance does not contain any additions to the proposed total of appropriations for all City Departments combined, with the exception of expenditures relating to the receipt of additional local sharing revenue sources from the Downtown TIF District, the Park District, the Fire Improvement Fund, and Donations. The proposed Ordinance is merely the same, routine, end of the Fiscal Year Supplemental Appropriation Ordinance that the City enacts every year prior to April 30th so that each line item appropriation in the Appropriation Ordinance contains an amount of funds that at least equals the amounts actually expended from such line item appropriation during the Fiscal Year.

City Engineer Gallagher provided the following written documentation which explained adjustments in the appropriation supplemental for C. General Fund – Department of Public Works – Line Item 01-41-499, Total Personnel Budget shall be decreased by \$13,000 from \$63,900 to \$50,900 and Line Item 01-41-599, Total Contractual Services shall be increased by \$47,500 from \$46,600 to \$94,100 for additional contractual work. These shall be offset by decreasing Interdepartmental Expenses, Line Item 01-63-499, Total Personnel Budget by \$34,500 from \$6,118,876.56 to \$6,084,376.56. It stated the City entered into various contracts for services involving the Carnegie Library, Old City Hall and the Newell Parking Lot improvement. Prior to these agreements, it was anticipated that bonding for these projects would be secured within this fiscal budget. Due to the delay in the sale of the bonds, the City Engineer billed these projects to the engineering line item, in order to ensure that these could be attributed to the construction projects after the bonding was secured.

City Engineer Gallagher provided the following written documentation which explained adjustments in the appropriation supplemental for R. General Fund - Motor Fuel Tax Fund – Line Item 16-0-999 Transfers shall be increased by \$280,000 from \$894,000 to \$1,174,000 for additional capital project work. This shall be offset by a decrease in Line Item 16-0-399 Departmental Revenue from \$312,152.31 to \$32,152.31. It stated the City added additional projects to this year's Motor Fuel Tax Program as part of an intergovernmental agreement with the Park District, coordination with the Fire Department, resident donations and the expansion of TIF projects. These additional projects were reimbursed by these funding sources and allowed for mass bidding of projects to reduce costs overall. The total reimbursement was for \$251,163.36. Additional funds for the 20% match to the City's Federal Transportation program was also due this fiscal year, resulting in the remaining overage. Historically we had been receiving these invoices years after the project's completion, so the initial invoice had been anticipated in next year's appropriation.

Discussion was held on the adjustment of appropriation in the amount of \$19,000 to the Illinois Municipal Retirement Fund Personnel Budget for additional employer contribution costs related to overtime. This appropriation adjustment is offset by a reduction in another line item within the General Fund's Interdepartmental Department. Mayor Gitz explained that with the next fiscal budget he recommends pay off of the amount that is carrying 7% interest rate. He also noted that carryover is from past administration. In the next budget consideration should be made to resolve versus paying the interest on that amount to IMRF.

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Aldersperson Koester moved to adopt the amended version of the ordinance with the title 2015-2016 Fifth Supplemental Appropriation 4-18-2016 (final). This motion was seconded by Aldersperson Klemm. The motion to place the amended version of Ordinance #2016-28 on the council floor for approval prevailed by a roll call vote of: Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester and Chesney (8)
Nays: none

Aldersperson Brashaw moved for approval of Ordinance #2016-28 as amended, seconded by Aldersperson Koester. The ordinance passed by a roll call vote of:
Yeas: Klemm, McClanathan, Ross, Miller, Busker, Brashaw, Koester and Chesney (8)
Nays: none
Ordinance #2016-28 was passed.

ORDINANCES -- FIRST READING

1st READING OF ORDINANCE #2016-29:

Special Ordinance for Variation Permit or Amendment of Codified Ordinances of Freeport, Illinois
A petition was filed by AB Oil, Inc. for the property located at 1220 W. Galena, Freeport, Illinois (PIN 18-13-25-383-012). The relief sought by the documents on file: for a Special Use Permit to allow the sale of alcoholic beverages in a B2-1 Limited Service Business Zoning Classification. This ordinance was unanimously recommended to council by the Planning Commission in their meeting held on April 7, 2016 and there were no written objections filed on the petition therefore council may take final action this reading.

Mayor Gitz noted the tenant owes the City money for motor fuel taxes and, if applicable, the food/beverage taxes. He stated AB Oil, Inc. would not be eligible until they cure that issue. This was also discussed at the Liquor Commission.

Aldersperson Brashaw stated she had attended the Planning Commission meeting when it was brought up that the forms had not been completed for the taxes. She recommended that at this time it should not go through until it is received.

Aldersperson Klemm stated he attended the Liquor Commission meeting and they made a motion to deny the request for a liquor license. He recommended that there be a motion to deny the request for a Special Use Permit. Mayor Gitz noted the petitioner could come into compliance and pay their taxes.

Aldersperson Klemm made a motion to deny the special use permit for the property located at 1220 W. Galena. This motion was seconded by Aldersperson Busker. Discussion was held on the action of sending the special use permit back to the Planning Commission. Aldersperson Brashaw spoke about other convenience stores selling liquor and this establishment would be at a disadvantage not to have package liquor sales.

Aldersperson Busker recommended sending the ordinance back to the Planning Commission and he rescinded his second on the motion to deny. Aldersperson Klemm withdrew his motion.

Aldersperson Koester made a motion to refer this ordinance back to the Planning Commission, seconded by Aldersperson Brashaw.

Aldersperson McClanathan asked for leave of the council to hear from Mr. Staben. Called forward to the podium was Mr. Jon Staben as vice chair of the Planning Commission. Mr. Staben stated that his understanding is that if the council voted it down tonight he would not be able to apply again. He stated that if you send it back to the

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Planning Commission they can work on it until right before it is sent back to council. Attorney Phillips clarified the petitioner would not be able to apply for another year.

Aldersperson Klemm asked what would happen if the person did pay their taxes. Mayor Gitz explained it would need to be approved by the Liquor Commission separately and also the Planning Commission. He stated the Liquor Commission would probably wait until after the Planning Commission approves the zoning. Mr. Staben stated the Planning Commission's function is to judge the application. He explained that at the time the petition was recommended to council the Commission was unaware of the nuances and they will not send it back to council until they know that all the elements are met. Aldersperson Ross asked how much money is owed to the City. City Clerk Zuravel stated that she was told the AB Oil took ownership on February 1st so the payment would have been due for those taxes on March 20th and then they would owe for the month of March on April 20th. She noted she does not know a dollar amount.

Aldersperson Koester asked how long it would sit with the Planning Commission. Mayor Gitz explained he has had discussion with the owner on Friday and we have a highly motivated leasee. He stated the business was closed for quite a while and the former owner was not paying the taxes but that is a separate issue. He stated we will work with the applicant to make sure they have the appropriate documents and the commissions will not act until the t's are crossed and i's dotted. Mayor Gitz stated it could sit indefinitely with the Planning Commission if taxes are not paid like being in purgatory.

Mayor Gitz stated we have a motion and a second to send this ordinance to the Planning Commission. Motion prevailed by voice vote without dissent.

1st READING OF ORDINANCE #2016-30:

An Ordinance Amending Chapter 290 (Compensation and Benefits) Section 290.01 (Classification Plan) the Codified Ordinances of the City of Freeport Regarding Deputy City Clerk

This ordinance was recommended by the Committee of the Whole in the meeting held on April 11, 2016 on a motion by Aldersperson Klemm, second by Aldersperson Koester and approval by majority vote. It was clarified that this ordinance was recommended to the Committee of the Whole by Alderspersons Chesney and Koester.

Aldersperson Koester stated this ordinance is intended to move the Deputy Clerk in to the Clerk's office with the potential closing of the Legal Department. He stated although he realizes it was vetoed tonight and the Legal Department will remain until next month, however, there is not too much question that the veto will come close to being overwritten at the next meeting so we still need to move forward with this and move her into the Deputy Clerk position. He stated if the veto is not overridden she can still assume some of her duties in there but she will be in the City Clerk's Department and her job will be secure. He explained that is the main intent is to secure the assistance for our City Clerk because she does need it. He recommended his approval of the ordinance.

Aldersperson Miller requested clarification of the ordinance classification. City Clerk Zuravel explained the changes are to bring in line the position in that the Finance/Deputy Clerk position was many years ago in the old building when the Finance person was assisting with answering phone calls. She then explained some of the duties were performed by the Administrative Aid to the Mayor when we moved to this building. She stated since Mayor Gitz came on board, his administrative assistant helped with some Electoral Board meetings but other than that she was not able to fulfill job duties for the City Clerk's office during that time period. She stated this ordinance cleans up the chapter 290 in regard to the Deputy Clerk some of the outstanding things that should have been fixed a while ago. In addition when the job duties were brought into the Legal Assistant the add-on of the Deputy City Clerk should have been brought in to the title at that time. Aldersperson Miller clarified whether the grade level

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remains at a grade level 12 the same as currently. It was confirmed by City Clerk Zuravel that the grade level 12 is the same as her grade currently.

Aldersperson Chesney stated that one thing the council may want to consider is to get everything thing in place by May 1.

Aldersperson Koester moved for approval of the ordinance #2016-30 as presented. This motion was seconded by Aldersperson Chesney. Aldersperson McClanathan noted there is a special meeting scheduled a week from this Monday asked if the council should suspend the rules for passage this evening.

Aldersperson Koester moved for suspension of the rules for passage of the ordinance this evening, seconded by Aldersperson Chesney. Motion prevailed roll call vote of:

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

Nays: none

Mayor Gitz stated the ordinance is properly on the floor for passage. The ordinance passed by a roll call vote of:

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

Nays: none

Ordinance #2016-30 was passed.

Mayor Gitz requested to move forward item number 14 next and asked for leave of the council. Leave was granted by the council to hear the following resolution:

RESOLUTION R-2016-22:

Resolution For the Agreement Between City of Freeport and Winter Design For Architectural Service – Pecatonica Prairie Trail (Section No. 16-000163-01-MS)

Mayor Gitz requested Shaun Gallagher, City Engineer and Jack Carey, Freeport Park District Executive Director to present the resolution. They presented the resolution which stated the City of Freeport with this resolution would enter into an agreement with Winter Design for the design of the proposed trailhead amenity at Tutty's Crossing, as part of the Pecatonica Prairie Trail in the City of Freeport. City Engineer Gallagher stated there was a presentation of the design concept for the amenities of this facility in January and there is a budget within the ITEP grant for these amenities. The resolution provided in the packet provided the following:

WHEREAS, the City of Freeport, Stephenson County, and the Freeport Park District applied and were awarded an Illinois Transportation Enhancement Program Grant in the amount of ONE MILLION FIVE HUNDRED TWENTY ONE THOUSAND SEVEN HUNDRED DOLLARS AND 00/100(\$1,521,700.00); and

WHEREAS, the City of Freeport, upon award of the funds from IDOT, as the lead sponsor shall be responsible for securing local matching funds and/or in-kind services up to 20% of costs for preliminary engineering, utility relocations, construction engineering, and construction, with 80% of the referenced costs to be funded by the ITEP Grant; and

WHEREAS, Winter Design has performed Phase I Design Services at no cost, with Phase II Design and Construction Administration for a not-to-exceed fee of TWELVE THOUSAND EIGHT HUNDRED AND 00/100 DOLLARS (\$12,800.00). The City of Freeport shall retain the right to perform select services within the Engineering Agreement at no penalty or adjustment to the individual costs provided in the Agreement.

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In addition, provided in the council packet was an agreement for the following services with Winter Design:

Project Description:

My understanding is that this project will consist of a new 600SF restroom structure with an adjacent 900SF covered picnic area.

Scope of Services

Our proposed scope of services is as follows:

Phase 1 – Schematic & Design Development (Not Included)

Phase 2 – Construction Documents

1. Provide sealed permit and construction documents. We shall include necessary plans, details, schedules, and sheet specifications for bidding & construction purposes.
2. Architectural & Structural Drawings to include Floor Plan, Roof Plan, Exterior Elevations, Building Sections, Wall Sections & Details.
3. Mechanical Drawings to include 1-line plumbing drawing, 2 line duct layout of bathroom exhaust system, electrical power & lighting plans, & schedules. Engineering of septic holding tank & connections by others (Not included).

Phase 3 – Construction Administration

1. Review Shop Drawings
2. Respond to RFI's from the Contractor.
3. Provide (1) on-site job observation for project closeout.

Services Not Included: Civil engineering, drawings & specifications, Bidding & Negotiation to be provided by the City of Freeport, Engineering of septic holding tank, Landscape Design, Design of Artwork if incorporated as Wall Murals.

City Engineer Gallagher stated that when he priced out these services with another architect before Scott Winter offered to donate his services for the design portion it was about twice as much and did not include the inspection services.

Aldersperson Miller asked whether the funds for this project have been released or is it similar to the boat launch funds being held by the State of Illinois. City Engineer Gallagher explained this grant is a federal grant and the State is a pass through for these funds. He stated they will not be held like the boat launch grant dollars are with the State of Illinois. That is the difference why we are moving forward with this facility compared to the boat launch that is on hold waiting releases of funds.

Aldersperson Busker moved for approval of the resolution as presented, seconded by Aldersperson Koester. The resolution was adopted by a roll call vote of:

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

Nays: none

Resolution #2016-30 was adopted.

Mayor Gitz requested to move forward item number 14 next and asked for leave of the council. Leave was granted by the council to hear the following resolution:

RESOLUTIONS

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RESOLUTION R-2016-23:

**Resolution To Approve The Use Of Tax Increment From The Downtown Redevelopment Project Area
For the City Center Initiative**

Aldersperson McClanathan presented the resolution and noted there is an amendment to the resolution. He stated since the last discussion on this item there has been a wide variety of meeting with the partners on this item. He noted that many are present at the meeting this evening to show support. He stated there have also been various meetings between the committee members and the staff to allow us to further refine how we want to approach some of these issues in Phase I. He stated before us is a combined effort to bring forth the resolution. He noted there are a couple wording changes to incorporate into the resolution because Attorney Riordan worked on this on her moving day to help us make these final changes. He explained this is a mechanism to get Phase I done completed and come back here in September which is the time frame with the partners that are raring to go. He explained there are people working on this that have volunteered a lot of time and he commended all of their efforts.

The following resolution was provided in the packet. Aldersperson McClanathan requested the items that are double-underlined to be amended and incorporated into the resolution:

RESOLUTION NO. R- 2016-23

WHEREAS, on September 4, 1994, the City Council of the City of Freeport, in conformance with the requirements of Illinois Increment Allocation Redevelopment Act (65 ILCS 5/74.4-1) ("Act"), created a tax increment finance ("TIF") district for its downtown area (alternately referred to as the "Downtown TIF" or "Downtown TIF Area").

WHEREAS, as required by the Act, the City authorized the preparation of and held hearings on a redevelopment plan and project, which was prepared by Kane, McKenna, entitled, "City of Freeport Tax Increment Redevelopment Area (TIF) Downtown Area TIF Plan and Redevelopment Project" ("Plan"); the Plan set forth the goals of the Downtown TIF District in accordance with the Act and was adopted by the City on September 4, 1994, by Ordinance No. 1994-64.

WHEREAS, the City has determined that in order to further the goals set forth in the Plan, it will be in the best interest of the City as a whole to set aside a sum certain of tax increment, as that term is defined in the Act, generated by the Downtown TIF Area ("Increment"), to assist with the surveys, studies and incentives set forth in the City Centre Plan attached hereto as Exhibit A ("City Centre Initiative") and to determine effective methods for furthering the goals of the Plan.

WHEREAS, the City and NIDA have been working together and have made considerable progress on the City Centre Initiative and as a result have identified several undertakings for which tax increment financing has been requested.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, ILLINOIS

Section 1. Under the supervision of the City and staff as may be assigned from time to time (collectively "Staff") shall work with Northern Illinois Development Agency ("NIDA") to oversee the use of Increment authorized by this Resolution for the implementation of the City Centre Initiative.

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Section 2. The City hereby approves the maximum sum of One Hundred & Twenty Thousand Dollars (\$120,000) in Increment to further the goals of the Plan and the City Centre Initiative as more fully set forth herein. The Increment allocated for the City Centre Initiative shall be expended without prior City approval unless otherwise provided for herein.

Section 3. Staff and NIDA shall work together to facilitate the implementation of the City Centre Initiative. The City Centre Initiative attached hereto provides that NIDA will create a City Centre Committee ("Committee"), which shall be separately approved by the Corporate Authorities; Staff shall attend each meeting of the Committee, and sub-committees, to provide input as to the goals, expenditures and evaluative tools used by the Committee to insure that the Increment authorized by this Resolution is used in accordance with the City's purchasing and review policies that expenditures of Increment are used to further implement the goals of the Plan.

Section 4. Staff and NIDA shall solicit and review proposals for goods and services that Staff determine necessary to implement the City Centre Initiative. The final selection of a proposal will require approval by Staff and the execution of a written agreement in a form to be approved by Staff and legal counsel. Each agreement shall provide that all payments shall be made exclusively from Increment. Nothing contained in this Resolution or any agreement shall commit any of the City's general revenue funds. Each Vendor shall submit its invoices to the City with a simultaneous copy to the Committee for payment with a sworn signature of an authorized representative stating that the goods and services for which the City is being invoiced have been performed or delivered. A Staff representative shall approve each invoice and submit same for payment.

Section 5. The City Centre Initiative (Exhibit A) references five categories under which work and expenditures will be divided and each category is to be managed by a sub-committee; a staff representative shall be assigned as a member of each sub-committee. The Increment is hereby authorized for each category as follows:

- | | |
|---|--------------|
| A. Gap Financing analysis: | \$25,000.00; |
| B. Adaptive Reuse recommendations and procedures: | \$15,000.00; |
| C. Downtown Utility and Technology Analysis: | \$20,000.00; |
| D. Downtown Building Assessment Survey & Report: | \$25,000.00; |
| E. Other projects as identified with the intent of further Development <u>of the Small Business Development Collaborative</u> , the Arts & Culture Center Corridor and Streetscapes initiative: | \$35,000.00. |

Funds may be reallocated among the line items or to add or delete line items as may be necessary upon the agreement of NIDA and Staff. In the event Staff and NIDA are unable to agree upon the allocation funds, the matter will be presented to the Corporate Authorities for a final resolution.

Section 6. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

Aldersperson McClanathan requested the double underlined amendments to be incorporated into the Resolution R-2016-23. Mayor Gitz requested leave of the council to incorporate those amendments into the resolution. Council provided their agreement and Mayor Gitz noted those are accepted on their face.

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Aldersperson McClanathan moved for approval of the Resolution 2016-23 as amended, seconded by Aldersperson Busker.

Aldersperson Koester spoke about his concerns of the initiative to revitalize downtown Freeport. He stated that he does not know if Freeport is ready to support this. Aldersperson Chesney spoke about the money spent in attorney fees to bring this initiative forward because of TIF laws and his hope is that the administration and the committee will work to move Freeport forward. He stated his support of funding this initiative and using the Downtown TIF funds to support it. Mayor Gitz spoke about the TIF laws and noted the importance of following them when public funds are used. He stated there has been a lot of work done to make sure this resolution follows the TIF law and he commended City Engineer Gallagher and Alderman McClanathan on their work to bring it forward and working through the details. Mr. Young was asked to the podium and spoke of his support of moving it forward.

Mayor Gitz requested a roll call vote and the resolution prevailed by:

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

Nays: none

Resolution #2016-23 was adopted.

Mayor Gitz stated we will now return back to the items in order on the agenda.

RESOLUTION R-2016-15:

Resolution to Authorize an Amendment To Intergovernmental Agreement for the Operation of an Enterprise Zone (*expansion of Helm Group*)

Provided in the council packet was the following description for the resolution by Community Development Director Alex Mills, "The Helm Group is seeking an enterprise zone expansion to construct a consolidated 12,000 square foot, \$1.4 million Information Technology Office Building to house their corporate data for their Midwest operations and workstations for their computer aided drafting department, which will allow them to expand their CAD workforce in Stephenson County from 13 CAD technicians to 23 CAD technicians. This expansion will include the construction of a new 12,000 square foot, \$1.4 million facility and the installation of \$150,000.00 in new capital equipment. The Resolution To Authorize An Amendment To Intergovernmental Agreement For The Operation Of An Enterprise Zone is necessary for the City of Freeport to formally indicate approval of expansion of the Intergovernmental Agreement itself. Stephenson County, City of East Dubuque, Village of Hanover and Jo Daviess County must also pass an identical resolution to indicate their support as well. This action authorizes amending the agreement to include the proposed expansion area. "

Aldersperson Busker moved for approval of the Resolution #2016-15, seconded by Aldersperson Miller. The resolution was adopted by a roll call vote of:

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

Abstain: Ross

Nays: none

Resolution #2016-15 was adopted.

RESOLUTION R-2016-20:

Resolution Authorizing The Execution Of An Air Support Mutual Aid Agreement And The Existence And Formation Of Air-One By Intergovernmental Cooperation – City of Freeport

Chief of Police Todd Barkalow presented the resolution and stated this agreement was presented at the Committee of the Whole and the representatives from Air-One personnel were present at that meeting. He stated the mission statement of the Freeport Police Department is to provide a safe living and working

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environment for the citizens of Freeport and he envisions this as a step towards that. He explained this is a very valuable asset which could be available to the citizens if needed. Alderperson Koester asked for leave of the council to hear from Mr. Jon Staben and he asked him about the helicopters being housed at in the corporate hangars being used by Air-One. Mr. Staben confirmed that Air-One uses the hangar with the understanding that if a hangar tenant comes forward, they will vacate the hangar. Mr. Staben reviewed for the council that the hangar being used is the only one large enough to accommodate the helicopter blades and they agreed at that time if a hangar tenant came forward they will vacate. Mayor Gitz explained that the Air-One uses in-kind service of our officers to off-set the mutual aid to the municipality.

Alderperson Koester moved for approval of Resolution 2016-20, seconded by Alderperson Busker. Motion prevailed by a roll call vote of:

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

Nays: none

Resolution #2016-20 was adopted.

RESOLUTION R-2016-21:

Resolution To Authorize A Fund Balance/Net Assets Policy For the City of Freeport

Provided in with the resolution was a fund balance policy that had been presented at the Committee of the Whole meeting on April 11, 2016. Mayor Gitz noted he had made some wording changes and they are underlined in the attached Draft Fund Balance Policy. Discussion was held on the amended wording. Mayor Gitz stated this is consistent with an audit request finding to place a defined fund balance policy. He stated you will notice that it strives to observe a fund balance but it does not require us to do that at the expense of another situation or urgencies of budget needs. So far as we know this meets the requirements of that request and will formalize a long standing informal policy of the City to strive to maintain a three month cash balance.

Alderperson Chesney asked who was the original author of this fund balance policy. Mayor Gitz stated this was a joint review conducted by Linda Buss, Corporation Counsel, Mr. Mrugala based on a document given to us by the auditors. Alderperson Chesney asked if this document will pass the test of the auditors by changing the words from "must" to "strives to" and whether it would yield the effects we are looking for. Mayor Gitz stated the auditors have not seen the final edition of this so he does not know what their response to the word "strives" but with tightness of our budget, the uncertainties with the economy. He posed this question to the council; "Do you want to adopt a policy that would set up a conflict between your specific public safety and other needs and you leave the fund balance at the expense of necessary operations?" He stated he votes for not locking ourselves into it and to provide the flexibility but the final decision is up to the council.

Alderperson Chesney asked for further clarification if the auditors passed the smell test of the policy and whether this follows what other municipalities are doing. Mayor Gitz noted the auditors are not in the position to dictate the policy; they are the advisors for the City and it is up to the City to adopt a fund balance which is a written document with a statement of where we are going to go. If they don't like it they can also express that in their audit.

Alderperson Koester moved for approval of the Resolution 2016-21, seconded by Alderperson Brashaw. Motion prevailed by a roll call vote of:

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

Nays: none

Resolution #2016-21 was adopted.

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RESOLUTION R-2016-24:

Resolution To Authorize An Application For A United States Department Of Housing And Urban Development (HUD) Lead-Based Paint Hazard Control Program Grant

Provided in the council packet was a memorandum regarding Application for HUD's Lead-Based Paint Hazard Control Grant Program written by Nickolas Jupin, Community Development Grants Coordinator. Mr. Jupin provided in his memorandum that recently he became aware of a lead-based paint abatement program being offered by HUD. There is interest in this grant from the Community Development department and also from area organizations such as Northwestern Illinois Community Action Agency, Public Health Foundation of Northwest Illinois and the Stephenson County Health Department. They believe that submitting this application with the intention of building a collaborative remediation effort will show the City of Freeport's willingness and commitment to work with our local resource agencies, schools and neighborhoods to reduce the lead toxicity risk in families, specifically with families that have children ages 6 and under. Mr. Jupin requested approval to apply for \$1,000,000 in funding that requires a \$100,000 match. This is the minimum amount that can be applied for and we estimate that this could provide blood testing and home remediation for 30 families. Two sub-awards would be made if the funding is granted. One sub-award would be for research and health monitoring while the other would be for home rehabilitation administration and oversight. Mr. Jupin stated his office would provide overall oversight and grant financial management. Considering the known risks of lead, its effect on community health and the latest news out of Detroit about their lead woes, he believes it would be a disservice to our community to fail to apply for this funding and begin the process of building a sustainable lead abatement program in collaboration with our local partners. Mr. Jupin asked the council to consider the request for this HUD's Lead-Based Paint Hazard.

Community Development Director Mills explained that the \$1,000,000 grant would be used for blood testing and home remediation for 30 families. The resolution requests approval to apply for \$1,000,000 in funding that requires a \$100,000 match.

Aldersperson Koester provided his personal experience of lead exposure in a household and stated his support of applying for the grant.

Aldersperson Koester moved for approval of the resolution R-2016-24, seconded by Aldersperson Klemm.

Aldersperson Ross spoke about the advantage of applying for a 9-1 funding and spoke in support of applying for the grant. It was discussed that this will assist residential household and also families who are renting.

The following section was amended to correct a typo as follows:

Section 2. That the City seeks grant funding of ONE MILLION DOLLARS (\$1,000,000) and pledges a ~~(five)~~ ten percent (10%) match of up to ONE HUNDRED THOUSAND DOLLARS (\$100,000) over a grant period of THREE years.

Aldersperson Klemm made a motion to amend the dollar amount from \$1.0 million in grant application funding to \$2.0 million.

Aldersperson Chesney spoke about the \$600,000 shortfall in the budget and noted his concerns in regard to public safety, taxes and infrastructure.

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Mayor Gitz spoke about his concerns for the public health of the children and stated that anytime you can apply for funding and have nine to one return it is a good investment. He stated we will have three years to figure out the funding and in-kind services are a part of the contribution.

Aldersperson McClanathan made a motion to defer the resolution to the April 25, 2016 special meeting of the council. Attorney Phillips made a determination of the motions and stated that postponement to a date and time certain takes precedent. Mayor Gitz noted there is a motion to defer this to a special meeting on April 25, 2016. This motion was seconded by Aldersperson Miller. Aldersperson Klemm requested if more documentation can be provided as to in-kind services and whether there was funding available from outside sources.

The motion to send the resolution to the special meeting on April 25, 2016 prevailed by a roll call vote of:

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

Nays: Klemm (1)

OTHER

Reports of Department Heads

City Engineer

City Engineer Gallagher provided documentation outlining the proposed 2016 Mill and Overlay Street list. It provided the following:

2016 Mill and Overlay Street List

Route	From To	Cost Est	Length
Empire Street	Columbia to Armstrong	Not available	828
Fruit Avenue	Galena to Wyandotte	Not available	1198
Illinois Avenue	Float to Fruit	Not available	621
Mosley Street	West to Locust	Not available	1405
Total City Blocks	7	Not available	4052

MFT Budget

\$280,000

Note: Shortfall in budget to be made up in higher revenues, combining bidding with Newell project, & cutting improvements if necessary.

City Engineer Gallagher explained for bidding purposes, he will withhold the cost estimates at this time.

Aldersperson Klemm moved for approval to adopt the Mill and Overlay program as outlines by City Engineer Gallagher. This motion was seconded by Aldersperson Koester. Attorney Phillips stated this motion is advisory in nature and can be made even though it is not listed on an agenda for council action. Motion prevailed by a roll call vote of:

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

Nays: none

City Engineer Gallagher provided an update on the Phase B Water Main project by noting where the construction project will be focused particularly Burchard, Empire Court, and Harlem. He provided information he has received since the public hearing on the pedestrian/bike trail proposal for Empire Street. He will be reviewing comparable widths for roadway. He noted he would like to improve the turning radius and open the sight lines.

Community Development

MINUTES-REGULAR MEETING
MONDAY, APRIL 18, 2016 AT 6:00 P.M.

Community Development Director Alex Mills stated there is an item on the agenda for Land Surveying Services—council prioritization of awarded firms. Alderperson Klemm noted there is no strong preference in the three firms. He suggested continuing the proposed course of action.

Police

Chief of Police Barkalow reminded drivers with the sudden April summer weather to slow down and watch for pedestrians and motorcycles. He will provide a public service message on the Police Facebook page about window tinting. Alderperson Chesney asked about bicycles on the sidewalks and noted the ordinance restricts persons over the age of 14 from riding on the sidewalks. Chief Barkalow stated his opinion is they will use common sense. Chief Barkalow spoke about persons following traffic laws and noted it is important to educate about bike safety.

Fire

Fire Chief Miller provided his condolences and sympathies from the Fire Department to the family of former Firefighter Michael Pontius. He reported there was a garage fire in the 0-100 block of Park Boulevard which caused serious damage to the garage.

Public Works

Public Works Director Tom Dole was present and had no report.

Library

Director Dickerson was present and had no report.

MAYOR'S REPORT

Mayor Gitz provided information on interviews he has had for the Finance Director position. He stated there have been no candidates that have municipal finance experience.

COUNCIL ANNOUNCEMENTS/NEW BUSINESS

Alderperson McClanathan thanked those who assisted with the City Centre resolution.

Alderperson Ross thanked Director Dole for his assistance in cleaning up the area of Lewis and Jackson.

Alderperson Busker provided information on the Neighborhood Watch meeting of the 5th Ward on Tuesday.

Alderperson Brshaw noted her sympathies for the family of former Firefighter Michael Pontius. She thanked the council members for the support of the United Way fundraiser.

Alderperson Koester stated his sympathies for the family of former Firefighter Michael Pontius. He provided copies of a flyer for the Fireworks scheduled for July 3rd and noted they are working on fundraising efforts. He provided information on Motorcycle Awareness Month in May. Alderperson Koester reminded Mayor Gitz he needs to make an appointment to a committee of NIDA. He stated his concerns of moving the Legal Department to outsourcing. He asked when the Building Commission will meet about the building permit fees. He suggested a time capsule to be placed at the Carnegie Building to include photos of the former Library.

Alderperson Chesney spoke in regard to an RFP or RFQ and they will work with Mayor Gitz on a proposal.

Mayor Gitz spoke about his concerns including needing immediate legal counsel, where to go with it, collective negotiations and mediation. He is interested in discussing this further with Alderperson Klemm and Chesney.

**MINUTES-REGULAR MEETING
MONDAY, APRIL 18, 2016 AT 6:00 P.M.**

Aldersperson Chesney provided his opinion of the discontinuing the Legal Department was in the terms of dollars/cents and the intent was not to politicize the issue.

Mayor Gitz stated the information provided about Sarah Griffin not being involved with union negotiations was false. He provided supporting information on her union negotiations.

PUBLIC COMMENTS – AGENDA OR NON-AGENDA ITEMS

Tom Teich, Freeport Illinois, provided his Special Olympic medals for the council to view.

Jon Staben, 1070 Canyon Drive, Freeport Illinois spoke about the duties of the Corporation Counsel and noted now you have eliminated the “watcher”. He stated his concerns that this could bring serious trouble for the City.

Upon a motion duly made and seconded, the meeting was adjourned at 9:55 PM.

s/ Meg Zuravel

Meg Zuravel
City Clerk