



## **City Council**

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

---

### **MINUTES**

#### **REGULAR MEETING**

**MONDAY, MAY 2, 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, May 2, 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 Miller.

#### **APPROVAL OF AGENDA**

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

#### **MINUTES**

The minutes from the regular meeting on April 18, 2016 were presented for approval. Alderperson Brashaw noted a correction to page 19; City Engineer Report had been distributed prior to the meeting and would like to incorporate those in to the minutes. Alderperson Brashaw moved for approval of the minutes as amended, seconded by Alderperson Chesney. Motion prevailed by voice vote without dissent.

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

Bill Leibman, 1781 W. Stephenson, Freeport, Illinois, spoke in support of a multi-use path on Empire Street. He stated he is a Freeport resident and a cyclist. He stated in recent years we have made great strides to get the Jane Addams trail extended, develop the trail head, and to get markings on the street. Anytime we get these items done it is one more invitation for people to use their bicycles instead of their cars. He encourages people to ride their bicycles as a form of transportation. The distance of getting to places in Freeport lends itself to bicycling and it is a great addition to the community. He asked the council and the mayor to support the multi-use trail.

Stu Garwick, 120 S. Chicago Avenue, Freeport, Illinois, spoke in support of a multi-use path on Empire Street. He introduced himself as the new owner of Freeport Bicycle Company and spoke of his support of the multi-use trail on Empire Street by installation of an eight foot path instead of a four foot sidewalk. The construction equipment and labor will already be in place and this is a good time to move on this project. He stated he has had several customers come into Freeport from out of town on the Jane Addams Trail and they are exploring the City. The more infrastructures in place the easier it is for people to explore Freeport, help tourism, and this benefits the businesses in town. He stated this bike path will help people to get to schools and parks and will encourage people to leave their cars at home and improve health benefits from fitness. He stated this will have a positive impact on property values in the area of the path.

**MINUTES-REGULAR MEETING**  
**MONDAY, MAY 2, 2016 AT 6:00 P.M.**

Jon Staben, 1070 N. Canyon Drive, Freeport Illinois, spoke in support of item 4. B. the resolution will assist the Civil War Monument Fund with insurance for the event for the rededication of the Stephenson County Soldiers Monument on June 26, 2016. He stated that adoption of the resolution will assist with not paying out extra money for the insurance. He noted they are in need of further donations to finish the project. They received donations of over \$200,000 but require \$12,000 to finish it. Donations can be made at Citizens State Bank and further information can be found on their website for the foundation.

**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 Report of Cash and Fund Balances for period ended March 31, 2016
- 2) City Treasurer's Monthly Investment Report for period ended March 31, 2016
- 3) Fire Department Report on Activities for March 2016

B. Approval of Resolution R-2016-28, Resolution To Co-Sponsor Stephenson County Soldiers Monument Rededication with the Civil War Monument Fund Committee

C. Approval of Motor Fuel Tax Fund Register #0080 --- \$45,000.00

D. Approval of Water & Sewer Bills Payable (Registers #537) --- \$141,312.34

E. Approval of Payroll for pay period ending April 16, 2016 --- \$416,057.41

F. Approval of Finance Bills Payable (Registers #534, 535, 536, 538) -- \$872,381.15

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

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

Nays: none

**APPOINTMENTS/REAPPOINTMENTS**

The following reappointment was read aloud; "Effective immediately, Mayor Gitz reappoints Jeremy Marsh to the Fire Pension Board through April 30, 2019."

Aldersperson Klemm moved for acceptance of the appointment, seconded by Aldersperson Busker. Aldersperson Koester stated he will abstain due to financial consideration being a member of the pension. Motion prevailed by a roll call vote of:

Yeas: Klemm, McClanathan, Ross, Miller, Busker, and Chesney (6)

Nays: none

Abstain: Brashaw and Koester

The following appointment was read aloud:

"Effective immediately, Mayor Gitz appoints Linda Buss to the Police Pension Board through April 30, 2018."

Aldersperson Klemm moved for acceptance of appointment, seconded by Aldersperson Koester. Motion prevailed by a roll call vote of;

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

Nays: none

**RETURN OF ORDINANCES**

**MINUTES-REGULAR MEETING  
MONDAY, MAY 2, 2016 AT 6:00 P.M.**

**RETURN OF [ORDINANCE 2016-23B](#):**

**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 were provided to City Council at April 18, 2016 meeting of the City Council*

Mayor Gitz stated item six is now before the council for consideration.

Aldersperson McClanathan stated pursuant to the recommended language which was provided by Attorney Phillips, I move to pass proposed Ordinance 2016-23B notwithstanding the mayor's refusal to approve it. This motion was seconded by Aldersperson Chesney.

Aldersperson Koester stated he was previously in support of this ordinance and now he is not in favor of it because there is a high probability of abuse and more expense for this than what we can afford. He stated it will be used for more than the original intention and he requested consideration for revisiting it at a later date.

Aldersperson McClanathan noted there are no dollars apportioned for this ordinance and it will have to come through the corporation and furthermore he has attempted to take the concerns by making this a six person vote.

Aldersperson Koester stated historically five members of the council vote 90% of the time the same way so with a super majority all they need is one other person to get it passed. At this present time it gives him great concern because it would be easy to get it passed with the money to do it. He is not in favor, maybe later, but not at this time.

Upon no further discussion Mayor Gitz requested a roll call vote to pass the ordinance notwithstanding the mayor's veto. The motion prevailed by a roll call vote of;

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

Nays: Koester (1)

Ordinance 2016-23B as returned to the council floor was passed.

**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 were provided to City Council at April 18, 2016 meeting of the City Council*

Mayor Gitz stated this item is before the council.

Aldersperson Chesney moved to pass proposed Ordinance 2016-24 notwithstanding the mayor's refusal to approve it. This motion was seconded by Aldersperson Klemm.

Aldersperson Miller asked about a notation on the ordinance which states it was passed by a majority on the council noting that the date was the 4<sup>th</sup> day of April. City Clerk Zuravel explained this information is completed by hand.

Aldersperson Koester stated he has had conversations with people in the City and there is a conflict with the numbers. He stated his concerns that there was not a lot of research on this. There was a little research on the

**MINUTES-REGULAR MEETING**  
**MONDAY, MAY 2, 2016 AT 6:00 P.M.**

numbers. He stated there is conflict on the numbers. There is no plan on what to do in the future. He requested to have more research done on this as to whether there would be a savings to the extent that he heard that the number would be \$100,000. He stated right now we are in an ideal situation with Sarah Griffin leaving if we continue with the Legal Department we can restructure it to make it more economically sound and move it forward and set it up the way that it needs to be set up. He stated if we veto this that opportunity is gone and he urged the council to think about it.

Aldersperson Miller stated there is a real plan and she just wants to say thank you to Aldersperson Klemm and Chesney for their countless hours researching. The bottom line is that they are doing everything they can to save the City money.

Aldersperson Brashaw stated she originally spoke out against this in the past and she still has some mixed feelings but she has done a lot of research by studying other communities and the ones that have outsourced their legal. She stated some of them have done it very well and have saved the City money. She stated she has confidence in our mayor that if we out-source the legal help that he will be able to find the best person for the job and we as a council will have to look at their appointment to approve of it. She stated that this was brought forth to save the City money and therefore she will vote to be in support of this. She stated although she was not in support of his action, Mayor Gitz has a right to veto it.

Mayor Gitz requested a roll call vote on the motion. Motion prevailed by a roll call vote of;

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

Nays: Koester (1)

Ordinance 2016-24 as returned to the council floor was passed.

Mayor Gitz noted for the record that it is the opinion of counsel and the written opinion from Ancel Glink Diamond, a municipal law firm, that the effective date of this ordinance being now in the new fiscal year is the next fiscal year.

Aldersperson Chesney noted that there is a conflicting legal opinion from Barrick Switzer in Rockford that has come to a different conclusion and all of those memos have been provided to the council as well as the corporation counsel and the mayor that the effective date is the date it was originally passed if it is a time sensitive document which this is in this case and it had to be done before this fiscal year. He stated he thinks this has been the desire of the City Council all along to do this before the beginning of the next fiscal year. Aldersperson Chesney stated he would strongly urge the mayor to honor the wishes of seven out of eight alderspersons, a mass of super majority of this City Council and stop the political wrangling and implement the wishes of the council. He strongly urged the mayor to implement this.

Mayor Gitz stated there is no political game; this is what the law requires. The law is very clear. He stated you can hire any law firm that you like for an individual opinion but that is not the official position of the City. The law has been clearly laid out in the memorandum from Ancel Glink. He provided the history of their law firm as being the authors of the Municipal Handbook and the most recognized authority on this issue in the State of Illinois. He stated this is not just a political decision as to when it is effective because it is not, it is a legal matter. He stated it is very clear as to what the law requires. He stated so if there are any questions to direct to special counsel, who has also tendered the same opinion on this matter, then have at it.

Aldersperson Klemm stated he believes there have been two opinions that have been different than the one Ancel Glink provided. He referred to the IML book 2014 which lists it in there. He stated he has been on the council ten years and he has seen more money spent in the Legal Department of this City in the last two and one-half to three

**MINUTES-REGULAR MEETING**  
**MONDAY, MAY 2, 2016 AT 6:00 P.M.**

years than spent any other time. He explained that includes the Kmart development, tearing down buildings that had arson, demolitions and all that kind of stuff. He stated some point we have to bring this spending to a stop and we can do this without talking to a lawyer. All this has done is you spent City money to get another opinion. We brought back another opinion. He stated all we are asking is that seven people have said to you we have ceased the legal department and we did it in a time frame. We said we wanted to do it by May. He stated if you want to keep spending tax payer's money, whether it be Mr. Phillips or Ancel Glink, we'll gather the bills and FOIA them. He wants people to keep an eye on the money for the Legal Department over the next year because this mayor is not going to allow any savings what-so-ever.

Mayor Gitz stated that is not the case and noted that incorporated in are the one-time expenses some of which were generated by the council in its investigation and how many of those are the Legal Department's on-going expenses. He explained we have provided to you audited statements of actual legal expenses. He stated the unaudited number of this past fiscal year do not support the numbers thrown around by this council. He spoke about the next budget and the labor negotiations and the importance of having a Corporation Counsel to negotiate them, now we have to go to an outside counsel and if they go to arbitration what are we supposed to do. He spoke about the importance of having legal opinions available for department heads to utilize and run this City. He asked is it easier to prevent a problem or is it easier to deal with it after you have created the problem and then you have to answer the litigation. He stated it is far better to do it right the first time then it is to litigate it later. He stated the effective date is what the law requires it.

There was a discussion on the differing opinions of the effective date.

Aldersperson Chesney noted the City Council did not authorize the firm for the investigation, instead that was the administration. He stated the council did not know about the investigation for the first month. These one-time expenses relate to the settlement of Kevin Cooley and the leave of corporation counsel. It was corporation counsel's own memo that put that into her budget and that did not affect the decision to go to outside counsel. He spoke about the articles written by the mayor and how the numbers provided failed to recognize the cost of health care and pensions. He spoke about department heads not speaking out publically if it is conflict with the mayor's opinion. He spoke about spending City dollars on the effective date and if we have to take this to the next level we certainly are prepared to but it will do nothing to help the City of Freeport.

Mayor Gitz explained the law is the law in terms of the effective date and all the speeches doesn't change that fact.

Aldersperson Klemm stated that he once heard that you can spend all the money in the world and when you get done; you have a lawyer's opinion and you've got nothing else. We can go back and forth but the only ones that will be hurt are the citizens of Freeport.

Aldersperson Brashaw stated she is not here to argue or to prove a point. She stated she was thanked for supporting Sarah Griffin in not wanting to discontinue the Legal Department. She stated now that she is gone, she has had a lot of those same people come up to her and say that hopefully the City can save some money on the Legal Department now. She stated unfortunately our Mayor can be volatile at times and that does not go over very well. She stated she does not appreciate being chastised as a child by our mayor and hearing closing arguments every time someone has something to say whether they are bringing a fact, or an opinion, or they are trying to legislate or they are trying to make their point and be heard as an individual on this council. She apologized to the listening public stating she rarely speaks like this but she does not want to have this happen every single time.

**MINUTES-REGULAR MEETING**  
**MONDAY, MAY 2, 2016 AT 6:00 P.M.**

Mayor Gitz stated he never said a word on item 6 or 7, they took the vote. The issue is the effective date. He stated he felt it was fairly important to the public and to the transparency to make sure everyone is aware of the legal opinion.

Alderperson McClanathan stated this is bound to happen on issues with very strong opinions that has manifested itself over a period of time in regards to this issue. Moving forward what we have here and, he is not going to argue the point on dueling opinions on the issue of the effective date, is if that were to go further down the road, we would spend a whole lot more money and it will come from the City. The important issue here is to move forward. That vote has been the vote that overruled the veto. There are things that he factually disagrees with what the mayor said and he does not want to rehash it on the floor and he does want to have an open discussion when the budget is discussed. There are nuances on how we apportion this and to have a productive manner in how we approach it. He does not feel that anyone will be convinced otherwise this evening.

**ORDINANCES -- FIRST READING**

**1<sup>ST</sup> READING OF ORDINANCE #2016-31:**

**An Ordinance Amending Chapter 288 (Officers and Employees Generally), Section 288.19 "Medical and Life Insurance" of the Codified Ordinances of the City of Freeport, Illinois**

Mayor Gitz stated the COBRA rates take effect on August 1, 2016 and the ordinance provided sets the rates.

Ted Odendahl, Health Care Consultant for the City of Freeport presented an overview of the revised COBRA premium rate renewals for Plan Year 2016. He provided a comparison to the Cobra current premium rates. He explained that the changes that have been made to the medical plan have affected the overall cost and the general experience of the participants that the City has had that the costs for next year are going to be lower. The exposure next year is lower than what the exposure was last year.

Mr. Odendahl stated these new rates are lower on average by over 7 % compared to the current 2015 Plan Year Cobra premium rates. Mr. Stephen Lafferty stated it is exciting to share the good news in regard to the maximum rates are being lowered this next year. The plan year was started May 1, 2016. He explained that back in 2013 there were some real challenges with health care all the way back to 2002. There were no material changes to the benefits and there were minimum changes to employee contributions amounts. In 2013 is when Mayor Gitz started the dialogue with the different populations of City employees including the non-bargaining and the retirees and the unions including the AFSCME, Fire and Police. He stated that they shared that the premium contributions went up, the deductibles and out of pockets went up, office co-pays and the drug co-pays went up. He explained the reaction was a pretty angry group of people. For the most part all of these employees accepted these changes as required and as necessary. He explained the implementation of the rates over a three year period for non-bargaining incorporated a percentage of 12% in 2015, 15% in 2016 and 18% in 2017. Those were the premium contributions over a three year period. Also incorporate over a three year period were the benefit changes. These have been incremental changes including the deductibles going from \$300 to \$1,000 and the out of pocket expenses going from \$1,700 to \$3,000. They also increased the office co-pays and spousal provisions. He stated not only are the maximum costs going down for plan year but the savings from the budgeted amount has a savings of right around \$450,000 and we should get the final claims report and that will let us know the final savings. He explained the self-insured model allows us to continue with the cost savings. The COBRA rates reflect the decrease in the maximum rates and they hope for the same for the next plan year depending on the claims experience. He also explained the the COBRA rates are formulated by actuaries and underwriters and are non-negotiable from ACE American our reinsurance carrier.

**MINUTES-REGULAR MEETING  
MONDAY, MAY 2, 2016 AT 6:00 P.M.**

The following comparison was provided for Group Health Plan – Medical, Dental, Vision & Prescription:

<b>CATEGORY</b>	<b>PLAN YEAR 2015</b>	<b>PLAN YEAR 2016</b>
Single	\$ 881.49	\$ 819.01
Single +1	\$2,013.98	\$1,863.16
Family	\$2,170.94	\$2,010.47

Aldersperson Chesney asked who prepared the ordinance. Mayor Gitz stated the ordinance was written with input of Mr. Lafferty and it went through the HR Department with Special Counsel Phillips looking at it late in the game.

Aldersperson Chesney referred to the amended wording for 288.19 under medical and life insurance and asked if there was a reason that got implemented because it looks like we are opening up our insurance. Mayor Gitz stated that change comes through the Illinois Department of Insurance as a statutory requirement and we do not have any choice in it. Attorney Phillips stated he did look at the publication from the Illinois Department of Insurance and the new language that is in the ordinance is what it reads at under page one of the Department of Insurance. He read the following excerpt: "Municipal continuation coverage must be offered to you and your eligible dependents who were covered under your group coverage on the day before your retirement or disability period began. The retirement or disability period begins on the day you are removed from the municipality's payroll for any of the following reasons: You retire from active service and are immediately eligible for an IMRF pension (40 ILCS 5/7-101). You are not required to actually begin the pension, but must be eligible to immediately receive the pension on the date of termination."

Aldersperson Koester stated most of the pensions require twenty years of service. Attorney Phillips corrected him that for Police and Fire it is twenty years. IMRF tier one is eight years and tier two is ten years and then he explained when the pension law changed.

Discussion was held on the eligible employees for coverage. Attorney Phillips finished reading from the section that also stated the following sections; "You are eligible to receive an IMRF disability benefit; You are an IMRF SLEP (Sheriff Law Employment Personnel) participant who terminates employment (at any age) with at least 20 years of SLEP credit."

Mr. Odendahl stated the concern is whether you are increasing the exposure. Mr. Odendahl explained that what controls that exposure is what your policy is in regard to what you contribute or don't contribute to the plan for retirees. The State mandates that the plan be available for them and we don't have any choice in that but you don't have to contribute something to retirees but some municipalities do contribute something towards retirees and that is where you control the costs. He explained what motivates people to stay on the plan in today's environment is if you are subsidizing the participation in the plan. This is because anyone can get insurance on the outside and motivation to stay on the plan would be if you are subsidizing the participation in the plan.

Aldersperson Koester stated this is the first time he has seen the rates go down. He noted since he is on the insurance plan he will be abstaining from voting on this.

Aldersperson Busker made a motion to move forward the ordinance for second reading, seconded by Aldersperson Chesney. Ordinance 2016-31 was automatically laid over to the next meeting.

Mayor Gitz asked council members if there were any further questions because the intent was not to have the consultants come back to the next meeting. There were no further questions from council members.

**MINUTES-REGULAR MEETING  
MONDAY, MAY 2, 2016 AT 6:00 P.M.**

**1<sup>ST</sup> READING OF ORDINANCE #2016-32:**

**An Ordinance Amending The Boundaries of the Joint City of Freeport – County of Stephenson Certified Enterprise Zone (*expansion of Barkau Group's Collision Center located at 558 Fairgrounds Road and JJ Freeport Venture realign boundaries*)**

Community Development Director Alex Mills presented the ordinance by stating the Barkau Group is seeking an enterprise zone expansion of 0.5567 acres in order to expand a collision center on Fairgrounds Road in Stephenson County. This will consist of \$180,000 in capital investment for a building expansion which will double the current square footage, a \$25,000 investment in machinery and equipment, and creation of three full-time equivalent positions. Per recommendation by the Illinois Department of Commerce and Economic Opportunity, the Enterprise Zone Committee has determined that the best method for approval of the JJ Freeport Venture expansion is to include it with another application (Barkau Group). The JJ Freeport Venture expansion was previously approved by city council and consists of a 0.23 acre expansion to include a small parcel as a housekeeping matter, overall benefiting the marketability of the shopping complex (Jo-Ann Fabrics, Sherwin Williams et al). This expansion is now included in the resolution and ordinance for consideration. 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 areas. The Ordinance Amending The Boundaries Of The Joint City Of Freeport-County Of Stephenson Certified Enterprise Zone is necessary for the City of Freeport to amend the boundaries of the enterprise zone to include the additional acreage that will be included in the zone. The expansion areas are contiguous to the existing enterprise zone boundaries and therefore are eligible for inclusion.

Director Mills noted that there will need to be a correction made to Exhibit B for the next reading of the ordinance. Special Counsel Phillips noted there was a very general legal description and he has asked for a more descriptive legal description for the JJ Venture parcel. He stated it did not clearly indicate what was coming into the enterprise zone and he did not want to leave it open to challenge. It was also noted the labeling of the exhibit needed to be fixed by the Enterprise Zone Administrator. He stated this change will be provided for the May 16, 2016 City Council meeting.

Aldersperson Brashaw asked about the advantages for this particular business to be in the enterprise zone. Director Mills explained that the owner of the shopping complex has realigned the parcels so that each store front has separate parcels. The third parcel is the vacant corner lot. He explained it is more marketable if all the properties are in the Enterprise Zone. The way it is now the corner lot was not in the Enterprise Zone. He stated this is a housekeeping matter to realign all the properties into the Enterprise Zone.

Aldersperson Brashaw asked for clarification because she thought this was for a property located on Fairgrounds Road. Director Mills explained that it is for both the Barkau property and the JJ Venture enterprise expansion are included in this single ordinance. He stated per the recommendation by Illinois Department of Commerce and Economic Opportunity, the Enterprise Zone Committee has determined that the best method for approval of the JJ Freeport Venture expansion is to include it with another application (Barkau Group).

**MINUTES-REGULAR MEETING  
MONDAY, MAY 2, 2016 AT 6:00 P.M.**

Alderson Brashaw asked what the advantages of being in the Enterprise Zone are. Mayor Gitz explained that any construction within a property in the Enterprise Zone is subject to an exemption of State sales taxes on building materials for the expansion. The second benefit that they receive is they do not pay for a building application fees and all the fees are waived. The third benefit that they receive is that depending upon the will of the taxing body, is they can receive a phased out relief from property taxes for the improvement which that is limited to five years maximum.

Alderson McClanathan made a motion to approve Ordinance #2016-32 for second reading with the understanding that there is going to be an amendment at the next reading. This motion was seconded by Alderson Klemm. Mayor Gitz stated we will provide a copy of the ordinance that the other taxing bodies will be considering over the next week. The ordinance was automatically laid over to the next meeting.

**RESOLUTIONS**

**RESOLUTION R-2016-26:**

**Resolution to Authorize an Amendment To Intergovernmental Agreement for the Operation of an Enterprise Zone (*expansion of Barkau Group's Collision Center located at 558 Fairgrounds Road and JJ Freeport Venture realign boundaries*)**

Mayor Gitz stated this resolution will be considered with Ordinance #2016-32 at the next meeting.

**RESOLUTION R-2016-27:**

**Resolution to Authorize Extension of Public Transit Vehicle Lease Agreements Between the City of Freeport and The Stephenson County Senior Center**

Community Development Director Mills presented the resolution by stating with extension of the Purchase of Service Agreement with the Senior Center now complete, the vehicle lease agreements must be updated to reflect the upcoming 2016-2017 year of operation. This resolution provides for that extension and lists the vehicles operated under that program.

The transit vehicles are owned by the City of Freeport and leased to the provider, in conjunction with the Purchase of Service Agreement. The vehicles consist of three (3) Chevrolet Uplander minivans, five (5) Ford El Dorado 12-Passenger Light Duty busses, two (2) Ford El Dorado 26-Passenger Super Medium Duty busses, and one (1) Dodge Entervan 5/2 minivan. The current lease agreement will expire June 20, 2016. No modifications have been made to Exhibit A, which details the vehicles that are to be leased once again to the Senior Center.

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

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

Nays: none

**DEPARTMENT BUDGET PRESENTATION AND DISCUSSION**

Mayor Gitz introduced the budget by stating it has been a work in progress by Mr. Mrugala and there are many questions as to what are the new assumptions that have been incorporated into this budget. Mayor Gitz noted that a new document was sent out to the council on Saturday which all the council except Alderman McClanathan received.

**MINUTES-REGULAR MEETING**  
**MONDAY, MAY 2, 2016 AT 6:00 P.M.**

Aldersperson Miller stated that the spreadsheet can't be viewed because it is in an Excel format and she can't view it on her personal computer. Mr. Mrugala provided paper copies for council members.

Mayor Gitz requested an update on items and what assumptions are now incorporated. Mr. Mrugala stated he has tried to solve the issues with the pensions in this particular budget. He explained what we are doing is using our capital reserves at a tune of \$470,000 which was equal to last year's gain or surplus from the audit. He explained this takes care of part of the \$660,000 issue on pensions that did not get funded in any capacity and because we were lucky enough to have a gain. He stated this also takes care of a \$272,000 IMRF outstanding pension liability that has gone back a number of years. We have been paying seven and one half percent per year and this year it would cost \$30,000 to IMRF due to that liability. He stated we are currently paying them at the rate requested by IMRF at the rate required. He explained that a while back they gave us a break. He is trying to get that off the books.

Mr. Mrugala stated in the Legal Department they put into the budget a half time individual there for half of the year and that is probably going to change. There are dollars in there for contracted legal support. It placed in dollars for the MIS Department to replace our server because the financial server is running on Windows 2003 and this will no longer be serviced by Windows. He placed into the budget money for software if we do something with our software or push it back down the road further for another year that is up to council. He placed into the budget scheduling software for both the Police and Fire Departments and he estimated that cost to be \$5 per employee per month equating to \$5,500 per year for both departments. He did not place any raises in the budget. He stated there were some administrative changes for assumptions.

Mr. Mrugala explained in this budget administration requested not replacing all of the retirees. Because of that our COBRA rates have gone down. They are based on a current employee count. That is a fixed cost and even though there is \$3.0 million dollars we need to cover and that is indicative of the base so there is a little bit extra in COBRA to cover less people because we are going to be paying a fixed amount for our health insurance. He extrapolated current labor salaries from what we currently have.

Aldersperson Koester stated recently we passed an ordinance to move the secretary in the Legal Department over to the City Clerk and he asked if that was adjusted in the budget that we received. Mr. Mrugala stated that is correct that particular department shows two full time people in the Office of the City Clerk.

Aldersperson Chesney stated that you said we were picking up the \$660,000 short fall in the budget and it is being made up from the reserves. Mr. Mrugala explained that amount is \$470,000 coming from the reserves. Aldersperson Chesney asked where the additional revenue is coming in from and asked if it was in the \$2.8 million. Mr. Mrugala explained that the \$2.8 million in this version is really \$2.5 and that is the Carnegie Bond that will be Series 2016. The \$300,000 would be the IMRF. He explained we changed thing around a little bit and he was able to pick up a couple hundred thousand by not replacing some of the retirees.

Aldersperson Chesney asked about the bond approved for the Carnegie Building. Mr. Mrugala explained that bond number is \$2.495 million not to exceed. He then went on to explain that an additional bank note in the amount of \$300,000 was the initial plan but that changed as of today and that was taken out. Aldersperson Chesney stated

**MINUTES-REGULAR MEETING**  
**MONDAY, MAY 2, 2016 AT 6:00 P.M.**

the numbers we have today are not yet firm numbers. Mr. Mrugala referred to the paper copies provided to the council.

Aldersperson McClanathan asked for further information on not replacing the retirees. Mr. Mrugala explained they are prorated based on when they are retiring. He has one retiring in two months and there are two more retiring half way through the year. Mayor Gitz added in the Street Department there are two people that have already left and there is one person on medical leave and this program holds that one of them will be replaced because the medical leave is long term. Mayor Gitz stated in the Police Department there are two new trainees that are already at the academy. There is one retiree that is projected to retire sometime this spring. Chief Barkalow corrected him to say it is Friday for the retirement. Mayor Gitz stated that person will be replaced by a promotion but a new trainee will not be authorized unless we find additional revenue for the first line replacement. They are replacing two people and losing one. Mayor Gitz stated in the Fire Department there are two people projected to retire and the current budget does not project to replace those two.

Aldersperson Klemm asked how many Police Officers there are. Mayor Gitz replied forty-six. Aldersperson Klemm asked how many firefighters there are currently. Chief Miller stated there are 45 shift personnel. Aldersperson Klemm confirmed with Chief Barkalow whether the 46 officers include command staff. Chief Barkalow confirmed the number was 46 until Friday and then it will go down to 45 people and that includes the Chief of Police. Aldersperson Klemm asked if the 45 Fire Department personnel include command staff. Chief Miller stated it is currently 15 per shift rotating every three days and that does not include the Fire Inspector and the Fire Chief. There is also one administrative assistant for the Fire Department as well. That count is a total of 48 personnel.

Aldersperson Koester asked if we start reducing personnel will this have an effect on overtime. Mayor Gitz replied that this will have an impact on overtime and we will incur additional overtime. Mayor Gitz stated that it will take quite a bit more overtime to account for a cost per person \$105,000 for the Police and Fire personnel. He stated there are no good options when you are trying to close the gap on budget. He stated we have given the council alternatives and these are not pleasant alternatives but this will cover the gap. The cost for personnel is the highest expense. He explained that all municipalities fund people. This is a people business and there are not a lot of places to go to find savings. He stated we can cannibalize different funds but at the end of the day this is about people. There will certainly be some collateral impacts. Mayor Gitz stated he has tasked the departments to discuss what the consequences are for those decisions including what things are not going to get done. He spoke about the tradeoffs that need to be discussed with the council to know where that line is drawn.

Aldersperson Koester spoke about his concerns of cutting manpower in the Public Safety, in Police and Fire. He suggested looking at alternative taxes to help supplement this. He stated he would rather look at that than to cut Police and Fire personnel and not have enough to show up.

Aldersperson Chesney stated at the last meeting it was discussed having discretionary cuts and what that would look like. He asked what are the creative ideas for efficiencies to close a \$400,000 budget shortfall when we are faced with a \$20 million dollar budget. He stated there does not seem to be a concerted effort to look at what the options would be and he would not be comfortable making arbitrary cuts. He suggested merging the 911's and seeing if there are saving with this and changing the purchasing of items on how we buy our products and a

**MINUTES-REGULAR MEETING**  
**MONDAY, MAY 2, 2016 AT 6:00 P.M.**

complete overhaul to shake loose \$400,000 and that seems like a very reachable goal. Mayor Gitz explained the efficiencies we are looking for in the Community Development Department were already accounted for and we eliminated onetime expenses in the Legal Department. He stated surgery has already been done throughout the budget. He explained there are a lot of things that we can do but there is no one in the State of Illinois that will count on budget savings by combining the 911. He explained that has been under discussion with the County Board chair and members of the board for a long time and it takes two in order to make that happen.

Mayor Gitz noted there may be fees assessed for Special Events requiring deployment of Police Officers for overtime and use of City-owned equipment. This will be charged back to the sponsor of the events.

Mayor Gitz requested council members to tell staff what needs to work on.

Presented at this meeting were the following budget presentations:

- Water & Sewer and the City Engineer
- Police Department with its Capital Equipment Budget
- Fire Department Department with its Capital Equipment Budget
- Public Works with its Capital Equipment Budget

Director Glendenning provided the proposed budget and noted that Water and Sewer works as an enterprise fund. Based on the audited fund balances, it has been determined that water is in good shape, sewer is working under a deficit, and storm is in good shape. He has asked the council for consideration to review the rate structure. Director Glendenning stated the funds that are under his jurisdiction are Department 80, 81, and 82. Their fund balances go to pay bond debt amounting to \$280,000 per year to pay down the principal and interest on loans to the IEPA. Director Glendenning stated that the outstanding water bills amounts to \$200,000. They recently wrote off unpaid bills that are twenty years and older. With the collection of funds through the Illinois Comptroller's office the return has been 25% to 30% successful in collection on these accounts which without this program would have gone uncollected.

City Engineer provided an overview of the funds under his jurisdiction including line items within the General Fund, Landfill, Motor Fuel Taxes and some TIF items. City Engineer Gallagher explained how the equipment in the budget for the Water and Sewer Commission that Director Glendenning requested will assist with cost incurred with long term maintenance at the landfill required by the IEPA.

Chief of Police Todd Barkalow stated his department is #51. In the budget this year are three new squad cars and this allows them to rotate old squads out of the system. By doing this on an annual basis it allows for a rotation of equipment each year. Under line item 51-741, Chief Barkalow explained he has requested two overt cameras to be deployed. This is in addition to the cameras they already have in place and will be strategically located. He explained the advantages of having these pole cameras to deter crime. He has also placed into the budget replacement for desk top computers. The department has 26 computer units in the department (not including 911 and squads). They rotate this equipment and this year they have budgeted for seven to be replaced. He explained that as far as desks and other equipment, they received a donation from MetLife when they closed and they are in good shape. Chief Barkalow reviewed his goals for the next fiscal year and how the budget relates to

**MINUTES-REGULAR MEETING**  
**MONDAY, MAY 2, 2016 AT 6:00 P.M.**

fulfilling these goals. He spoke about the importance of advance training to help solve neighborhood problems. He recommended not trimming the training budget because it is already lean and the officers need to be trained on the best practices. Chief Barkalow spoke about command staff training and felt it was an advantage to send an officer to that training before they are promoted and he has recommended Lieutenant Davis for the training. Discussion was held on the cost of the overt cameras. Chief Barkalow stated he has placed \$5,000 for each in the budget for cameras under line item 51-741. Chief Barkalow stated that he has one officer, Lieutenant Marney who will be retiring this week. He has two in academy. He recently lost two officers who went to work for the Pekin and Evanston Police Departments. Chief Barkalow stated as of next week he will be down to 45 officers. Chief Barkalow stated he would feel more comfortable with 46 officers but due to the budget considerations they will do the best they can. Alderman Klemm asked Chief Barkalow how many officers he had five years ago. Chief Barkalow stated the officer count was fifty (50).

Chief Miller provided his overview of budget considerations for the Fire Department, department #52. He stated this budget reflects a continued understanding of the uncertain economic environment faced by many municipalities including the City of Freeport. Chief Miller explained that his budget includes maintenance of the building and he has budgeted for no new programs or services. He has budgeted under line item 614 for ambulance supplies because the hospital is carrying fewer and fewer replacement supplies for the ambulances. They do not carry the brand required for our equipment. Chief Miller noted under line item 572 he has added to the budget for telephone and communications because these costs have gone up for VOIP telephone communications. Chief Miller directed attention to Fund 32 which is the capital equipment fund. He noted there has been dollars placed in the budget to replace a twelve year old vehicle shared by the three the Battalion Chiefs. He also has requested consideration to refurbish the oldest fire truck (Engine #3) and costs have been estimated to be \$30,000. Chief Miller provided information on the on-board head sets and noted they are in place and an improvement over the hand-held radios they were using such as the one he had available at the meeting. He noted that he deferred the onboard computer for the fire truck for another year. He would like to be able to review mobile data terminals for technology improvements in the future. Chief Miller explained building maintenance improvements for a roof replacement at Fire Station #1 and needed concrete repairs at Station #2 with firefighters performing a majority of the work.

Public Works Director Tom Dole explained that he oversees budgets for nine different departments including #41-48 and 54. His department recently had two retirees and those employees totaled 52 years of work experience. He also has one personnel on long-term medical leave. His department is down to sixteen people. He is able to hire for one full-time and one seasonal for mowing. The Cemetery alone has 25 acres to maintain. Director Dole stated he placed in the budget for replacement of a 1997 pick-up truck and an Elgin Pelican street sweeper. He explained with the aggregate placed on the streets during winter weather that it is important to have this cleaned off the street for safety of motorcycles and bicycles. Director Dole presented information on the impact of losing personnel. They can accomplish the same jobs but it will take longer to get it done. Currently with the number of drivers, it takes 6.5 to 8.0 hours to clear off after a snow event and if they lose a person they will have to subdivide the routes and it will add one to one and one half hours per snow event. For the Forestry Department to be down a person, they will not be able to complete as many tree removals, it will take longer. The same goes for leaf removal and that process will take longer as well because they use the snow routes to complete this.

**MINUTES-REGULAR MEETING  
MONDAY, MAY 2, 2016 AT 6:00 P.M.**

After each department provided the overview of their budgets, council members were provided an opportunity to ask questions. Council criticized the administration for not being able to view the budget on their Chromebooks. They asked for a budget spreadsheet that is easier to decipher with a narrative about what has changed from the previous year and one that had larger print without so many columns.

Council requested follow up information from Director Glendenning regarding liens that need to be done by the Water & Sewer Commission, from Chief Miller regarding the cost of keeping an ambulance and fire truck in service, from Director Dole list of trees requiring removal by the Forestry Department and maintenance costs for street sweeper.

Due to the late hour it was decided to postpone the following budget discussions and have them presented at the Committee of the Whole meeting next week:

- Community Development and Mayor
- Finance, Human Resources, Clerk and Treasurer
- Legal and City Council budget

**OTHER**

**REPORTS OF DEPARTMENT HEADS**

**City Engineer**

City Engineer Gallagher provided a written memorandum to council regarding Empire Street and the proposed multi-use path. He stated as discussed in April, the Phase B Water Improvement project has a design option for an 8' hot-mix multi-use path on Empire Street from Park Boulevard to Burchard Avenue. This improvement would be constructed on the north side of the roadway in place of existing 4' sidewalks, by narrowing Empire Street from 44' face to face of curb, to 40' face to face of curb. This new roadway width would be consistent with the roadway width of Stephenson Street for the same general length, Park Boulevard to Whistler Avenue. It was requested by City Council to determine if the City would incur additional costs for liability insurance due to the change from sidewalks to a multi-use path. This was confirmed through our Legal Department that there would not be an increase to the City's liability coverage for this change. It is important to note that the design of this path would improve existing drainage at each intersection, install new ADA compliant curb ramps at all intersections, and restripe the existing roadway and cross-walks for improved visibility. Intersection turning radii will also be reviewed to maximize sight distance along with any conflicts created by parking too close to adjacent intersections. A comparison of accidents along this section of Empire Street was also requested.

City Engineer provided an outline of accidents from January 2008 through June of 2014 in his written memorandum. He explained during discussion with several residents, the reoccurring concern is with cars turning onto Empire Street and hitting cars in the parking lane, cars passing left-turning vehicles on the right and hitting cars in the parking lane, as well as vehicle speed. These types of accident are often due to the location of parking stalls within or near intersections and the perception of additional drive lanes created by unstriped parking stalls. Empire Street does not have striped parking stalls, which creates the perception that the existing 22' section from centerline to curb is not a 12' drive lane and a 10' parking lane, but two 11' drive lanes. By narrowing the section to 20' with striped parking lanes, drivers are given a clear indication that the drive lane is 12' and the 8' parking lane is not a drive lane. It is also important to note that the existing paving joint gives the perception of a 14' drive

**MINUTES-REGULAR MEETING  
MONDAY, MAY 2, 2016 AT 6:00 P.M.**

lane and an 8' parking lane since there is no striping. Narrowing the roadway 2' would reduce the drive lane to 12' which is the same as the width of Pearl City Road out to the roundabout, making the sections consistent. Reducing lane widths has been proven to reduce speeds, therefore an approach to narrow lane widths, stripe parking stalls, increase intersection sight distances by moving parking further away from intersections, should have a positive impact on existing traffic conditions and allow space for the path.

City Engineer Gallagher also provided in his memorandum an estimate of costs for 5' sidewalk, 8' sidewalk and 8' hot-mix, as part of the discussion. It explained when we discussed the Burchard path, the cost of a 5' sidewalk is roughly double the cost of an 8' hot-mix path. However, we often consider asphalt to have a 20 year useful life and concrete to have a 30 year useful life. This can vary drastically depending on maintenance and the use of heavy equipment on asphalt. Estimating a 3300' section of new sidewalk or path for Empire Street, the follow is a comparison of costs, should the sidewalk of 5' or 8' be selected over the 8' path.

8" base =  $3300 \times 8 / 9 \times \$8.63 = \$25,314.66$   
2" Asphalt =  $3300 \times 8 / 9 \times \$12 = \$35,200.00$   
Total = \$60,514.66

Concrete Option 5'  
6" base = Incidental to concrete  
5" concrete =  $3300 \times 5 \times \$7.23 = \$119,295$   
Total = \$119,295

Concrete Option 8'  
6" base = Incidental to concrete  
5" concrete =  $3300 \times 8 \times \$7.23 = \$190,872$   
Total = \$190,872

City Engineer Gallagher provided in his memorandum; "The obvious benefit to staying with the bid design for an 8' path is that we do not increase costs to the overall project, which would be substantial for this change alone. As discussed at prior meetings, all driveways would be concrete and all driveway aprons would be wider than existing to improve turning into residential driveways. Since discussing this proposal over the last 3 months with residents within the improvement and within the community, it appears there is majority support for the change. In the past when we have made changes to existing traffic patterns, those against the change typically attend meetings, while those in support typically respond via phone. As a result there has been majority in opposition to the path at our public hearing and a majority in support via phone. By the response I've witnessed, I would estimate that approximately 70% are in favor or have no opinion of the change, while 30% oppose it for reasons of cost, safety or overall dislike. Similar to the responses I've received while constructing the Jane Addams Trail; the younger residents of Freeport appear in support of paths for the recreational benefits, while our 65+ population views this as an unnecessary expense that will damage their property values. If you have additional questions feel free to contact me. At this point I am looking for approval or permission to narrow the roadway and construct the path. This will allow us to set the alignment of the proposed watermain and begin construction as soon as school is out for the summer. If Council is perceptive to the design change, it would be my preference to finalize an ordinance covering multi-use paths at a future meeting this summer when more formal intergovernmental discussions with the Park District could be had, without delaying the construction. An advisory resolution outlining the changes could be prepared for the May 16th Council meeting if more formal authorization as requested."

Alderperson Koester requested further information on the multi-use path from the Freeport Park District. City Engineer Gallagher explained there has been no decision in regard to maintenance and the Park District is not

**MINUTES-REGULAR MEETING**  
**MONDAY, MAY 2, 2016 AT 6:00 P.M.**

necessarily in favor beyond the property in front of the park. They also have liability concerns and he is not sure of their commitment. City Engineer Gallagher noted the concern of the Park District's director is who would have to replace it when needed in the future.

Aldersperson Brashaw stated she has fielded many questions and 80% of them were in favor and 20% were against. She spoke in favor of the multi-use trail. Aldersperson Klemm noted he has not fielded any phone calls on it.

Council members would also like to see a written ordinance addressing riding bikes on the path when 15 years of age and over. Council members thought painting the parking stalls will assist to have designated parking for residents backing out of driveways.

Discussion was held regarding providing a resolution outlining the proposals for the Empire multi-use path to determine council support in moving forward. It was determined this resolution will be presented at a special meeting of the City Council on Monday, May 9, 2016 at 5:45 p.m. before the regularly scheduled meeting of the Committee of the Whole.

**Police**

Chief of Police Barkalow provided information on the Conversations over Pizza to be held on Wednesday, May 4, 2016 at 5:00 p.m.

**Fire**

Fire Chief Miller provided an update on a new ambulance purchase through Foster Coach and noted by bringing this ambulance operational it allows the department to place on reserve the thirteen year ambulance.

**Public Works**

Public Works Director Tom Dole had no further report.

**Community Development**

Community Development Director Alex Mills had no further report.

**Library**

Director Dickerson was present and had no report.

City Treasurer Buss was present and had no report.

**MAYOR'S REPORT**

Mayor Gitz stated has no further information from US Bank on the processes of the Finance Department. He stated he was unaware of the software issues with the budget and he apologizes for the inconvenience to the council members. He will ask him to add commentary on the line items and include that in the next version of the budget.

Mayor Gitz noted there will be special meeting of the Freeport City Council on Monday, May 9, 2016 at 5:45 p.m. to discuss the Empire Street multi-use path.

**COUNCIL ANNOUNCEMENTS/NEW BUSINESS**

Aldersperson Busker requested to have a discussion item regarding council committees to be placed on the Committee of the Whole agenda.

**MINUTES-REGULAR MEETING  
MONDAY, MAY 2, 2016 AT 6:00 P.M.**

Aldersperson Koester stated May is Motorcycle Awareness Month and he reminded drivers of the importance of watching for motorcycles. He noted he had concerns when the council voted to put the tax levy and zero. He stated because of this we are now involved in budget cuts and the budget is already down to a bare minimum. He stated what was discussed tonight is that we will lose one officers in the in Police Department and two firefighters in the Fire Department. This will also account for a loss of services in Public Works because they will be own personnel as well.

Aldersperson McClanathan spoke about the budget being a collaborative process for all involved.

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

Tom Teich, Freeport Illinois, provided information on the Special Olympics he will participate in on Saturday.

Upon a motion duly made and seconded, the meeting was adjourned at 9:43 PM.

*s/ Meg Zuravel*

Meg Zuravel  
City Clerk