



City Council

City Council Chambers ♦ 314 West Stephenson Street ♦ Freeport, IL 61032

MINUTES

COMMITTEE OF THE WHOLE MEETING

MONDAY, JULY 10, 2017 AT 6:00 P.M.

CALL TO ORDER

The regular Committee of the Whole meeting of the Freeport, Illinois, City Council was called to order in council chambers by Mayor Jodi Miller with a quorum being present at 6:02 p.m. on Monday, July 10, 2017.

ROLL CALL

Present on roll call: Mayor Miller and council members Tom Klemm, Peter McClanathan, Art Ross, Patrick Busker, Sally Brashaw, and Andrew Chesney (6). Bob Smith and Mike Koester were absent.

Staff members present: City Treasurer Linda Buss and City Clerk Dovie Anderson.

City Legal Counsel present: Aaron Szeto, Esq.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Alderperson Chesney who then became the Chairperson.

APPROVAL OF AGENDA

Alderperson Brashaw moved and Alderperson Busker seconded to approve the agenda; motion carried unanimously.

PUBLIC COMMENTS

There were no public comments.

Informational presentation by Deryck Freudeman with Utility Service Partners Inc. regarding insurance for homeowner water and sewer line repair

The Utility Service Partners Inc. (USP) is endorsed National League of Cities. USP partners with the City, which introduces the program to residents. Homeowners can choose to enroll in the program. USP contacts contractors when homeowners have a claim. The City is eligible for royalties/revenue. Premiums are offered ala carte: water is approximately \$6.75 per month (lowest rate is \$5.25 without the royalty), sewer is approximately \$7.75 per month (lowest rate is \$7.25 without the royalty), and in-home plumbing is \$9.99 per month. All would be almost \$25 per month.

City Manager Crow expressed concern over asking citizens to pay more after just passing an increase in water and sewer fees. He asked if communities do insurance on their own. Mr. Freudeman answered that that is an option or their company provides an option, depending upon the City. Their company offers the call center and contacting contractors. City Manager Crow asked if citizens would have the option of replacing their laterals while the City is undergoing an extensive 7- to 10-year City line replacement program. Mr. Freudeman replied that USP would not; they only cover damage or wear and tear.

**MINUTES-COMMITTEE OF THE WHOLE MEETING
MONDAY, JULY 10, 2017, AT 6:00 P.M.**

City Manager Crow pointed out that the literature states that USP covers up to \$4,000, overages are charged to resident. Mr. Freudeman stated that changes have been made in the last couple weeks. The coverage is raised to \$8,500 regardless of how money is spent on line repair or sidewalk repair. No deductible, no pre-inspection fees.

Aldersperson McClanathan stated that since the royalty/revenue is charged at a higher rate and paid back to the City, he feels that is an indirect tax. Mr. Freudeman stated that it is a choice for residents to sign up, so the City is eligible to receive those funds. He added that some communities put the revenue towards a goodwill fund that, in turn, can be used to help low income individuals. Aldersperson Busker stated that just as the City did not opt for the royalties with the electrical aggregation program, he would not support this royalty either.

APPROVAL OF MINUTES

Aldersperson Brashaw moved for approval of the minutes from the regular Committee of the Whole meeting held on June 12, 2017, seconded by Aldersperson Busker. Motion prevailed by voice vote without dissent.

ITEM #8 - Discussion of ORDINANCE #2017-56: An Ordinance of the City of Freeport, Illinois Amending Various Provisions of the City Code of Ordinances to Reflect City Manager Form of Government

At the July 3, 2017, Council meeting, upon a motion made by Aldersperson Klemm; seconded by Aldersperson Brashaw; this Ordinance was moved to tonight's meeting for discussion by unanimous voice vote.

City Manager Crow stated that this Ordinance is before the Committee for input from Alderspersons and discussion of comments from Attorney Szeto. Several Commissions in the Code have not been operational for years and are being recommended for removal from the Code: Human Relations Commission, Industrial Development Commission, and REHAB.

City Manager Crow clarified Aldersperson McClanathan's question regarding Council's review of monthly warrants. City Manager Crow will review monthly expenditures and present those to Council. City Council will still approve monthly warrants and the Clerk and Mayor will continue to sign off on those.

City Manager Crow pointed out that he will appoint Department Heads with the exception of the Police Chief and Fire Chief which will require consent and approval of City Council for removal and hiring. Attorney Szeto added that the new copy he just handed out contains the new revisions.

City Manager Crow again addressed removal of three commissions. Human Relations Commission deals with community issues regarding landlords who may be discriminating. This Commission has been utilized once in twelve (12) years. There was no record found of the Industrial Development Commission ever being used and the requirements now fall under the responsibilities of the Community and Economic Development Director. REHAB (the acronym is not defined in the Code) deals with housing and urban development, which there is currently a Housing and Urban Development Board which is appointed by the Mayor. Mayor Miller inquired into the ADA Commission, which currently has no members. City Manager Crow stated that state and federal laws require an ADA Compliance Officer. Shaun Gallagher is the ADA Compliance Officer for the City.

Aldersperson Chesney asked if these committees are dissolved, can the Council enact a Resolution to establish a special committee as the need arises. Attorney Szeto confirmed that the Council could. It was agreed that wording would be included in the Ordinance to reflect same.

Aldersperson McClanathan questioned other sections of the Code that might reference the sections regarding the Commissions under consideration for removal. He further asked if there would be a mechanism for providing relief, if necessary, down the road. Attorney Szeto stated that, if there is an aggrieved party, there should be a

**MINUTES-COMMITTEE OF THE WHOLE MEETING
MONDAY, JULY 10, 2017, AT 6:00 P.M.**

mechanism for them to lodge a complaint. City Manager Crow asked if the complaint could be addressed to him as City Manager. Alderperson Brashaw asked Attorney Szeto if further review is required. Attorney Szeto stated that he would like to do further research to see if any of these commissions are statutorily mandatory. If not, he advises keeping these as standing committees and only convening when necessary with final decision authority with City Manager or City Council.

Alderperson Klemm added that Section 268.09, Drug and Alcohol Commission, is also no longer used. It previously used to distribute monies to programs such as Jane Addams.

Alderperson McClanathan referenced Section 250.03, Community and Economic Development Director. City Manager Crow stated that her job description has been updated; this Ordinance needs to also be updated to reflect same.

Alderperson McClanathan also referenced Section 1022.10 regarding Change of Street Names. Alderperson McClanathan moved that the Committee of the Whole recommend the authority remain with the City Council for Section 2011.10, seconded by Alderperson Busker, motion prevailed by voice vote without dissent.

Alderperson McClanathan pointed out Section 1060.17, Municipal Landfill, Paragraph (d), Solid Waste Composting Facility, states, “[t]he City is hereby empowered to own and operate or to franchise the development and operation of a solid waste composting facility to be located on the Municipal Landfill site, subject to City ~~Manager’s Council~~ authorization.” Alderperson McClanathan then moved that the Committee of the Whole recommend the wording of (d) remain “subject to City Council’s authorization”, seconded by Alderperson Busker. Motion prevailed by voice vote without dissent.

ITEM #9 - Discussion of Draft Ordinance: An Ordinance Amending Part Six General Offenses Code, Chapter 692 Weapons and Explosives, Section 692.02 of the Codified Ordinances of the City of Freeport, Illinois Regarding Concealed Weapons

Alderperson Chesney stated that this is to bring our Ordinances in line with state statute.

Alderperson Brashaw made a motion to move this draft Ordinance forward to the July 17, 2017 meeting, seconded by Alderperson Klemm, motion prevailed by voice vote without dissent.

ITEM #10 - Discussion of Draft Resolution: Resolution of the City of Freeport, Illinois, to Establish Reserve Funds

City Manager Crow stated that this Ordinance goes hand in hand with the revised Investment Policy Resolution in Item #11. It establishes a reserve fund of \$1 million by the end of this year, and increase that annually by \$250,000. The Government Financial Officers Association (GFOA) and Illinois City Manager Association (ICMA) recommend having sufficient reserves to cover three months of bills, which is in the realm of \$5 million. Treasurer Buss and Finance Director Bernadelle reviewed the funds and believe this is possible with both of these funds. Interim Water and Sewer Director has a goal of \$5 million in reserves for Water and Sewer within ten (10) years. These reserves would be not utilized without approval of City Council and only in the case of emergencies. This plan takes money out of cash reserves currently held in the bank and investing at a higher rate of return such as three (3) to four (4) percent in CDs, treasury bonds, and other municipal bonds. This is sometimes referred to as “rainy day” reserves.

Alderperson Brashaw asked Treasurer Buss for her input on this goal. Treasurer Buss stated that it can be easily done by using the \$1.2 million which has been held in water and sewer bonds. Those bonds built up their own cash reserves which can be released and used towards this newly established reserve fund.

**MINUTES-COMMITTEE OF THE WHOLE MEETING
MONDAY, JULY 10, 2017, AT 6:00 P.M.**

Aldersperson Chesney asked if this Resolution could be rewritten in Ordinance form for more visibility. City Manager Crow stated that an Ordinance is more binding than a Resolution. If for some reason the goal could not be met, then an Ordinance would require money being transferred. On the other hand, a Resolution is a guideline which offers more flexibility. Aldersperson Chesney countered that the Ordinance could be written with the flexibility that if there is a shortfall, then City Manager Crow could approach Council and recommend, for instance, \$180,000 rather than the goal of \$250,000 in any particular year.

Aldersperson McClanathan read from Section 4 indicating which events could trigger the use of this fund. Other than natural disaster and acts of God or cuts in state aid and federal grants, he feels all other incidences revolve around acts of violence or war. He suggested if these events are too restrictive, would it be better to amend Section 4 to include "or as approved by City Council".

City Manager Crow stated that when going before S&P or Moody's for a bonding, they now ask Illinois communities what their reserve is.

Aldersperson McClanathan asked if the word "shall" regarding the \$250,000 annual goal needed more flexibility. City Manager Crow stated that he would prefer to leave it as is because part of the goal is for department heads to exercise more fiduciary responsibility when spending money without looking at the bank accounts. Currently there is a small safety net, but he wants to establish a long-term safety net.

Aldersperson Chesney questioned if a cap should be set such as when the reserve reaches a balance of \$5 million, we discontinue contributing. City Manager Crow stated that \$5 million is a good goal based upon our current revenue. However, if we grow as we hope to and revenue goes up, even as far as a \$60 million budget, then the GFOA figure goes up. The goal we want to keep is still three (3) months' or fifteen (15) percent.

Aldersperson McClanathan moved that (1) rather than a Resolution, this Ordinance will be moved forward with amendments (2) to allow distribution of the funds outside of natural disaster and acts of war "as determined by Council", (3) to require approval of Council to release any funds from this reserve, and (4) to authorize Council to waive the amount of the \$250,000 annual contribution. Aldersperson Busker seconded and the motion prevailed by voice vote without dissent.

ITEM #11 - Discussion of Draft Resolution: Resolution of the City of Freeport, Illinois Authorizing and Approving a Revised Investment Policy [View investment policy](#)

City Manager Crow stated that our Investment Policy was last reviewed in 1998. State law recommends reviewing on a "regular basis". Manager Crow asked for the input of Treasurer Buss and Finance Director Bernadelle. Treasurer Buss recommended changing the wording "Illinois Public Treasurer's Fund" to the current wording of "Illinois Fund". The Investment Policy gives GFOA guidelines for roles and responsibilities for financial investing, such as CDs over \$400,000 need a separate bond. Additional collateral is required above FDIC coverage.

Attorney Szeto confirmed that the Policy provides oversight and balance. He stated that not only is it a policy for investment but it also provides some discretion for the people managing it. Secondly, it ensures safe investments. Third, it provides an avenue to cash out if liquidity is needed. Fourth, return on investment is not key, but sets a goal of procuring sound investment rates. It also provides conflict of interest provisions. The Council is included in the loop.

Aldersperson Brashaw asked City Manager Crow if these changes and updates are placing reasonable restrictions on staff. City Manager Crow responded that it provides GFOA requirements while allowing some latitude for the City Treasurer. While Linda Buss is in her seventh term as City Treasurer, it gives the City some protection moving

**MINUTES-COMMITTEE OF THE WHOLE MEETING
MONDAY, JULY 10, 2017, AT 6:00 P.M.**

forward at such a time that we no longer have the expertise of Treasurer Buss. City Manager Crow estimates that communities of our size should be able to generate \$100,000 revenue from investments per year if done correctly. Getting these reserve funds in place will also help increase our rating from A+ currently to AA+.

Aldersperson McClanathan noted that page 7, number 1, paragraph F, also should have "Public Treasurers Investment Pool" changed to "Illinois Fund".

Aldersperson Klemm moved and Aldersperson Ross seconded to recommend approval of this draft Resolution with the above-noted amendments. Motion prevailed by voice vote without dissent.

ITEM #12 - Discussion of Draft Resolution: Resolution of the City of Freeport, Illinois Authorizing the Public Display of the Official Motto of the United States of America, "In God We Trust", at City Hall

Aldersperson Chesney asked that this Resolution be drafted after being approached by several individuals. Aldersperson Ross asked if it would be plaque or banner. Aldersperson Chesney stated that the stainless steel signage at the Stephenson County Courthouse cost approximately \$1,100, but with City Manager's agreement he proposes a slightly larger sign in the range of \$1,500 to \$2,500. Aldersperson Ross asked about having it engraved in stone. City Manager Crow stated that the sign would be a part of the current landscaping plans at City Hall.

Aldersperson Klemm moved to recommend considering other City buildings for "In God We Trust" signage, seconded by Aldersperson Brashaw. Motion prevailed by voice vote without dissent.

Aldersperson Busker moved to recommend approval of this Resolution with amendments to the July 17, 2017, Council meeting; seconded by Aldersperson Ross; and motion prevailed by voice vote without dissent.

PUBLIC COMMENTS – AGENDA OR NON-AGENDA ITEMS

Tom Teich mentioned the Freeport Race coming up on July 27, 2017.

Aldersperson Klemm stated that Fifth/Third Bank no longer accepts Water and Sewer payments. City Manager Crow stated that announcement of locations that take payments was included in the Water and Sewer bills. Mayor Miller asked and City Manager Crow confirmed that a press release regarding the discontinuation of Fifth/Third Bank could be done.

Aldersperson Chesney thanked the Fire Department for their prompt response to the water main breaks. He then asked City Manager Crow if notice could be posted on the website as well as notification sent to the Agenda Notice list moving forward.

City Manager Crow added that there will be a City Facebook page by the end of the week which will be maintained by the Deputy Clerk.

Aldersperson Klemm also thanked the Water and Sewer Department for their response to the water main breaks.

Upon a motion duly made and seconded, the meeting was adjourned at 7:23 pm.

s/ Dovie L. Anderson

Dovie L. Anderson
City Clerk