



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

MINUTES
COUNCIL MEETING
MONDAY, MARCH 6, 2017 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, March 6, 2017.

ROLL CALL

Present on roll call: Mayor Gitz and council members Tom Klemm, Peter McClanathan, Art Ross, Jodi Miller, Patrick Busker, Sally Brashaw, Mike Koester and Andrew Chesney (8).

Staff members present: Finance Director Guary Bernadelle, Community Development Director Alex Mills, Public Works Director Tom Dole, Fire Chief Scott Miller, Chief of Police Todd Barkalow, City Engineer Shaun Gallagher and City Clerk Zuravel.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Alderperson Klemm.

APPROVAL OF AGENDA

Mayor Gitz requested leave of council to move forward the presentation by Mike Mudge for electric aggregation after the water rate ordinances. Alderperson Brashaw moved for approval of the agenda, seconded by Alderperson Koester. Motion prevailed by voice vote without dissent.

APPROVAL OF MINUTES

Alderperson Brashaw moved for approval of the minutes from the meeting held on February 21, 2017. This motion was seconded by Alderperson Klemm. Motion prevailed by voice vote without dissent.

PUBLIC COMMENTS – AGENDA ITEMS

Bernie Mrugala, 1310 S. Galena Avenue, Freeport, Illinois, stated his opposition to the Water Rate Structure. He noted there was lack of an effective plan and he would only support a portion of the increase. He recommended changing every user fairly. He provided numbers from an analysis he did of the Elgin water and sewer rate structure.

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CONSENT AGENDA

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

- A. Approval of Water & Sewer Bills Payable (Registers #730) --- \$1,142.28
- B. Approval of Payroll for pay period ending February 18, 2017 --- \$412,760.66 with fringe benefit payments in the amount of \$32,765.11 for a total of \$445,525.77
- C. Approval of Finance Bills Payable (Registers #729, TBA) --- \$608,033.21

Aldersperson Koester moved for approval of the consent agenda, seconded by Aldersperson Ross. The motion prevailed by a roll call vote of:

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

Nays: None

The consent agenda items were approved.

COMMUNICATIONS TO COUNCIL

Presented in the council packet and by Finance Director Bernadelle were the following reports:

Financial Reports for FY 2016-2017 for period ended January 31, 2017 including:

General Fund Highlights	General Fund Details
Water, Sewer, & Storm Sewer Highlights	Water, Sewer, & Storm Sewer Details
Library Highlights	Library Details

Aldersperson McClanathan moved to place the reports on file, seconded by Aldersperson Koester. The motion prevailed by a voice vote without dissent.

APPOINTMENTS

Aldersperson Chesney requested leave of the council to hear all three appointments together for one motion. City Clerk Zuravel read the following appointments/reappointment into the record:

- Acceptance of Appointment – Mayor James L. Gitz hereby appoints Elizabeth Gridley to the Freeport Public Library Board of Trustees effective immediately through May 31, 2019.
- Acceptance of Appointment - Mayor James L. Gitz appoints Nicole Bauer to the Planning Commission effective immediately through February 21, 2021.
- Acceptance of Reappointment - Mayor James L. Gitz reappoints Tim Davenport to the Planning Commission effective immediately through October 31, 2020.

Aldersperson McClanathan moved for acceptance of the above stated appointments/reappointment, seconded by Aldersperson Klemm. The motion prevailed by a roll call vote of:

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

Nays: None

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ORDINANCES – SECOND READING

Provided in the council packet was the following memorandum from City Engineer Shaun Gallagher:

“The Freeport Water and Sewer Commission has prepared the attached Ordinances, as requested by the City Council at the January 9th Committee of the Whole meeting. The Executive Director, City Engineer, and Board of Water & Sewer Commissioners agree that the following Ordinance changes are in the best interest and long-term viability of the City of Freeport.

“Understanding that there will always be difficult individual financial conditions, catastrophic failures like those witnessed on January 18, 2016, requiring a City-wide boil order will continue with regularity until these infrastructure issues are addressed. The formal recommendation by the Commission was to increase Service Fees that have not been adjusted since 1989 and 1996, increase the Operation and Maintenance rates by 10% to cover losses to inflation since 2007, remove the declining Tiered Water Rate Structure, and increase Capital Improvement Revenue to invest \$156 million in the water and sewer systems over the next 40 years.

“Ordinance #2017-11 Option A is proposed to increase the Capital Improvement Fund by \$7 for three (3) years for a total increase of \$21. As discussed at length at prior Council Meetings, this funding is necessary to begin replacing the current depreciated assets within the water and sewer systems. This increase would result in a 46.2 year replacement program to complete \$156 million in capital improvements recommended by the Commission. This does not account for inflation over that program lifespan.

“Ordinance #2017-11 Option B proposed to increase the Capital Improvement Fund by \$8 for three (3) years for a total increase of \$24. This would result in a 41.3 year replacement program to complete \$156 million in capital improvements recommended by the Commission. This does not account for inflation over that program lifespan. For clarification, only one Ordinance will be approved regarding the Capital Improvement Fund.

“Ordinance #2017-12 is proposed to increase the existing Fee Schedule for services performed by the Water & Sewer Commission. This Ordinance increases security deposit fees to cover two months billing of the average water and sewer bill and increases shutoff/turn-on fees to the equivalent personnel costs to perform the task. Service connection fees are also increased to match the construction costs for replacement services. Additional sections concerning connections and metering that are no longer applicable have also been removed.

“Ordinance #2017-13 is proposed to replace the existing Tiered Rate Structure with a single usage rate for residential, commercial and industrial water usage. The production cost to the Water & Sewer Commission does not decrease with the volume of water used, therefore this has a negative impact on the Operations and Maintenance side of the budget, theoretically losing money the more a customer uses. A Tiered Rate Structure does not promote water conservation, but rather consumption at the cost of the rest of the utility users.

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“Ordinance #2017-14 & #2017-15 are proposed to increase the existing usage fees for water and sewer consumption by ten percent (10%) to counter 42% inflation from 2007-2016 of Operations and Maintenance Expenses, prior to the passage of the annual CPI increase this past fall.

“It is important to note that a history of political and economic influences have taken a toll on the Water & Sewer Commission over the past 50 years. These proposed Ordinances promote the long-term infrastructure maintenance and replacement plan needed to ensure public health and environmental safety within the City. However, these proposed Ordinances have already been reduced from the prior recommendations of the Executive Director and City Engineer that proposed a 30-year Capital Improvement Plan at a \$30 increase, due to the level of deterioration within the existing water and sewer systems.

“Although many in our community simply view these ordinance changes as another tax on an already taxed-out local economy, this should be viewed as an investment in the future of Freeport. Passage of these ordinances will aid in rebuilding our neighborhoods, increase opportunities to attract new businesses with 21 Century infrastructure, improve health and sanitation for our residents, as well as creating and retaining construction jobs within the City.”

2nd READING OF ORDINANCE #2017-11 (Option B):

An Ordinance Amending Chapter 1052 (Water And Sewer Capital Improvement Fund) Of The Codified Ordinances Of The City Of Freeport, Illinois

City Clerk Zuravel stated, “Ordinance 2017-11 (Option B) proposes to increase the Capital Improvement Fund by \$8 for the first three (3) years for a total increase of \$24 and it would remain thereafter until changed by ordinance. This would result in a 41.3 year replacement program to complete \$156 million in capital improvements recommended by the Commission. This does not account for inflation over that program lifespan. The first reading was held on February 6, 2017. A motion to adopt was given by Alderperson Klemm, seconded by Alderperson Brashaw. At the meeting held on February 21, 2017, the ordinance was laid over to tonight’s meeting.”

This ordinance included the following under Section 1:

Section 1. Chapter 1052 entitled “WATER AND SEWER CAPITAL IMPROVEMENT FUND”, Subsection 1052.02 “Funding”, shall be amended as follows:

**“CHAPTER 1052
WATER AND SEWER CAPITAL IMPROVEMENT FUND**

1052.02 FUNDING.

Funding for the Water and Sewer Capital Improvement Fund shall be through the imposition of a monthly Capital Improvement Surcharge to be set as follows:

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Customer Type by Water Meter Size	Capital Improvement Surcharge FY 2015-2016 and thereafter	Capital Improvement Surcharge FY 2017-2018	Capital Improvement Surcharge FY 2018-2019	Capital Improvement Surcharge FY 2019-2020 and thereafter
5/8"	\$16.00	<u>\$24.00</u>	<u>\$32.00</u>	<u>\$40.00</u>
5/8" by 3/4"	\$16.00	<u>\$24.00</u>	<u>\$32.00</u>	<u>\$40.00</u>
3/4"	\$17.12	<u>\$25.00</u>	<u>\$33.00</u>	<u>\$41.00</u>
1"	\$18.88	<u>\$27.00</u>	<u>\$35.00</u>	<u>\$43.00</u>
1-1/2"	\$23.68	<u>\$32.00</u>	<u>\$40.00</u>	<u>\$48.00</u>
2"	\$29.12	<u>\$37.00</u>	<u>\$45.00</u>	<u>\$53.00</u>
3"	\$48.68	<u>\$57.00</u>	<u>\$65.00</u>	<u>\$73.00</u>
4"	\$73.12	<u>\$81.00</u>	<u>\$89.00</u>	<u>\$97.00</u>
6"	\$133.12	<u>\$141.00</u>	<u>\$149.00</u>	<u>\$157.00</u>

City Engineer Shaun Gallagher referred to the information on the City of Freeport website and provided to council members as a handout which included a 40 year plan and its projected projects. He stated there is \$156 million worth of depreciated assets that need replacing and other current issues are:

- The current fees structure does not cover the personnel costs to perform shutoffs, calls for service, or cover non-pay liability; and
- The current tiered water rate structure promotes consumption, which depreciates assets faster and disburses higher costs back low volume users; and
- The current O&M rate structure has absorbed 42% inflation from 2007-2016 with no adjustments
- Future infrastructure replacement currently requires the borrowing of money with interest due to lack of available cash on hand; and
- There are no emergency funds or reserves, only savings for debt service for existing loan and bond payments.

City Engineer Gallagher also explained the Water & Sewer – 40 Year Plan that based on the proposed ordinance for the capital improvement program increase it would be accomplished in a 41.3 year timeframe:

CIP Revenue	\$ 155,750,000	% of Budget
Replace 87 Miles of Watermain	\$ 75,000,000	48.2%
Line 25 Miles of Sanitary Sewer	\$ 25,000,000	16.1%
Replace 3000 Lead Services	\$ 4,000,000	2.6%

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Replace 7 Water/Rail Crossings	\$ 1,000,000	0.6%
Replace 4.5 Miles of Sanitary Sewer Forcemain	\$ 3,000,000	1.9%
Carroll Tank Rehab & New Well	\$ 1,850,000	1.2%
New Water Filtration Plant	\$ 10,000,000	6.4%
Upgrade Wastewater Plant	\$ 10,000,000	6.4%
Equipment/Tech Replacements	\$ 14,250,000	9.1%
Engineering	\$ 11,650,000	7.5%
Total CIP Cost	\$ 155,750,000	100%

Aldersperson Miller thanked Director Glendenning, City Engineer Gallagher and the Water and Sewer Commission for their hard work and research. She agreed that we have issues that have to be dealt with, but she has concerns on voting for this tonight. She explained her reasons she recommended waiting including to wait for a City Manager to be hired who may have more knowledge and financial background.

Aldersperson Brashaw also thanked City Engineer Gallagher and Director Glendenning. She stated the original proposal brought about a \$30 CIP in increments of \$10 per year for the first three years and annually thereafter. Aldersperson Brashaw spoke about the importance of including lead replacements in the proposed projects. She stated this will bring the water rate structure up to what other municipalities charge for similar services and the improvements are needed to avert a crisis.

Aldersperson Klemm stated he has listened to the presentation of the issues with our Water and Sewer Commission for years. He stated he attended many of the presentations recently provided throughout the City and, once the public heard of the issues, there was not one person did not understand what the problems are and the severity of the issues that are facing the City. He recommended moving forward in support of the ordinances to have quality water for our homes and businesses.

Aldersperson Koester thanked Director Glendenning and City Engineer Gallagher and stated his support at this time. He noted the ordinance can be changed or adjusted as necessary.

Aldersperson Chesney stated he echoes Aldersperson Miller and stated he will not support a fee increase during a lame duck session. He stated he does not dispute the need for the change but recommends waiting the seventy five days to review again. He stated his concerns about the increase and the effect it will have on local business.

Aldersperson Klemm stated that he has heard comments from people being on a limited income. He spoke about the tiered water structure that was put into place in 1937 and noted it is completely out of date. He spoke about the costs incurred by the Water and Sewer Commission as being the same for every gallon it produces all the way through the billionth gallon of water. Because of the failures of the system, we lose 25% of the water that is produced through the pipes and we inherit 37% extra water through the sewer that causes everything to out-work itself and the infrastructure to beat itself to death. He stated it is time to take the leadership and move Freeport forward by fixing the infrastructure that helps do the things that need to be done.

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Mayor Gitz stated the same people are going to be sitting in these seats in 90 days as the council members that are here tonight except for maybe one person. He spoke about this not being a lame duck set of council members because everyone will be the same except for one person. The plans and presentations have been given for the last eighteen months to the council and the public. He spoke about the adjustments made for inflation. He spoke about the history of why we are in this predicament today and it was because of the thinking: "don't raise any fees, don't look to the future, don't act now, and kick the can down the road." He stated we have a sewer plant that has got to meet new regulations so the choice is to close it up or meet those regulations. He stated if you don't get the permit you do not operate. Mayor Gitz explained we have a water system that lacks the basic money to do on-going maintenance. We have to cannibalize other funds in order to do it. The tragedy of this is that the delay we have had in the past is not the fault of the newer people on this council that has resulted in a crisis situation. He talked about the business users and the effect of the rate structure. He stated you can't say you are in favor of infrastructure improvements and not get real and face the decisions that need to be made. He stated his confidence in Director Glendenning who just happened to be named as "operator of the year" in the State of Illinois. He has come to rely on the staff, Director Glendenning, and the City Engineer and their presentations of our reality and projections for the future. The sins of the past are front and center and we can't lose this construction season as we wait to become politically popular. He spoke about the public hearings held to inform the public and people accepted the reality of it.

Aldersperson McClanathan requested information from City Engineer Gallagher on the adjustments as it effects a residential customer with a 5/8" water meter size. City Engineer Gallagher explained the increase of \$8 per month for three years for a total increase of \$24.00 that would continue thereafter. The increase would take place on May 1, 2017. The increase will generate \$3.3 million per year at the end of year three. This provides an increase to accomplish the 40 year plan that is projected out to be 41.3 years. It cannot be bypassed by decreased use of water.

The motion for passage of Ordinance #2017-11 (Option B) prevailed by a roll call vote of:

Yeas: Klemm, McClanathan, Brashaw, Koester (4)

Nays: Ross, Miller, Busker, and Chesney (4)

Mayor Gitz voted yea and Ordinance #2017-11 passed by a vote of five (5) to four (4).

2nd READING OF ORDINANCE #2017-12:

An Ordinance Amending Chapter 1042 (Water Generally) and 1046 (Sewers Generally) of the Codified Ordinances of the City of Freeport, Illinois

City Clerk Zuravel stated "Ordinance 2017-12 proposes to increase the existing Fee Schedule for services performed by the Water & Sewer Commission. This Ordinance increases security deposit fees to cover two months billing of the average water and sewer bill and increases shutoff/turn-on fees to the equivalent personnel costs to perform the task. Service connection fees are also increased to match the construction costs for replacement services. Additional sections concerning connections and metering that are no longer applicable have also been removed. The first reading was held on February 6, 2017. A motion to adopt was given by Aldersperson Klemm, seconded by Aldersperson Brashaw. At the meeting held on February 21, 2017, the ordinance was laid over to tonight's meeting."

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The motion for passage of the ordinance prevailed by a roll call vote of:

Yeas: Klemm, McClanathan, Brashaw, Koester (4)

Nays: Ross, Miller, Busker, and Chesney (4)

Mayor Gitz voted yea and Ordinance #2017-12 passed by a vote of five (5) to four (4).

2nd READING OF ORDINANCE #2017-13:

An Ordinance Amending Chapter 1044 (Water Rates and Revenues) of the Codified Ordinances Of The City Of Freeport, Illinois

City Clerk Zuravel stated, "Ordinance 2017-13 proposes to replace the existing Tiered Rate Structure with a single usage rate for residential, commercial and industrial water usage. The production cost to the Water & Sewer Commission does not decrease with the volume of water used, therefore this has a negative impact on the Operations and Maintenance side of the budget, theoretically losing money the more a customer uses. A Tiered Rate Structure does not promote water conservation, but rather consumption at the cost of the rest of the utility users. The first reading was held on February 6, 2017. A motion to adopt was given by Alderperson Klemm, seconded by Alderperson Brashaw. At the meeting held on February 21, 2017, the ordinance was laid over to tonight's meeting."

The motion for passage of the ordinance prevailed by a roll call vote of:

Yeas: Klemm, McClanathan, Brashaw, Koester (4)

Nays: Ross, Miller, Busker, and Chesney (4)

Mayor Gitz voted yea and Ordinance #2017-13 passed by a vote of five (5) to four (4).

2nd READING OF ORDINANCE #2017-14:

An Ordinance Amending Chapter 1044 (Water Rates and Revenues) Of The Codified Ordinances Of The City Of Freeport, Illinois

City Clerk Zuravel stated, "Ordinance 2017-14 proposes to increase the existing usage fees for water consumption by ten percent (10%) to counter 42% inflation from 2007-2016 of Operations and Maintenance Expenses, prior to the passage of the annual CPI increase this past fall. The first reading was held on February 6, 2017. A motion to adopt was given by Alderperson Brashaw, seconded by Alderperson Klemm. At the meeting held on February 21, 2017, the ordinance was laid over to tonight's meeting."

The motion for passage of the ordinance prevailed by a roll call vote of:

Yeas: Klemm, McClanathan, Brashaw, Koester (4)

Nays: Ross, Miller, Busker, and Chesney (4)

Mayor Gitz voted yea and Ordinance #2017-14 passed by a vote of five (5) to four (4).

2nd READING OF ORDINANCE #2017-15:

An Ordinance Amending Chapter 1048 (Sewer Rates and Revenues) Of The Codified Ordinances Of The City Of Freeport, Illinois

City Clerk Zuravel stated "Ordinance 2017-15 proposes to increase the existing usage fees for water and sewer consumption by ten percent (10%) to counter 42% inflation from 2007-2016 of Operations and

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Maintenance Expenses, prior to the passage of the annual (consumer price index) CPI increase this past fall. The first reading was held on February 6, 2017. A motion to adopt was given by Alderperson Brashaw, seconded by Alderperson Klemm. At the meeting held on February 21, 2017, the ordinance was laid over to tonight's meeting."

The motion for passage of the ordinance prevailed by a roll call vote of:

Yeas: Klemm, McClanathan, Brashaw, Koester (4)

Nays: Ross, Miller, Busker, and Chesney (4)

Mayor Gitz voted yea and Ordinance #2017-12 passed by a vote of five (5) to four (4).

At the beginning of the meeting, Mayor Gitz requested leave of council to move forward the following on the agenda:

REPORT ON ELECTRICAL AGGREGATION BIDS BY MIKE MUDGE OF ROCK RIVER ENERGY SERVICES

Mike Mudge of Rock River Energy Services provided a report on Electrical Aggregation Bids. The council agenda included wording for possible City Council action on:

- Possible action on acceptance of City of Freeport [March 2, 2017 Municipal Aggregation Bids](#)
- Possible action on acceptance of City of Freeport [Street Lighting bids May 2017](#)

Possible action on acceptance of City of Freeport March 2, 2017 Municipal Aggregation Bids

Mike Mudge of Rock River Energy Services provided new handouts to council members as follows:

City of Freeport- 3/6/2017 Municipal Aggregation Bid Review										
Supplier	Price/Options Same Rate for both Residential and small Commercial Comed price Oct 16 to May 17 6.388 RPS Compliant	With Civic Grant	Price Match Guarantee	Willing to supply a "No Solicitor Invited" Placard	Offering Civic Grant 13.2	Early Term. Fee 10.8.a	Offer to send Opt In letters to residents already with a supplier 9.3	Willingness to run supplemental opt out periods 9.4	Experience with Governmental Aggregation 4.7.d	Currently Approved by The ICC for Small Customers 4.7.a
Constellation	1 yr: 6.65 2 yr: 6.957 3 yr: 7.036	1 yr: 6.755 2 yr: 7.057 3 yr: 7.136	NO	YES	Yes price added to bid price	None	New Rate change will require letters sent to residents currently on other suppliers	Yes	33 Total Illinois 14 are in	10-0540
Dynegy (Homefield) Energy	1 yr: 6.666 2 yr: 6.965 3 yr: 7.012	1 yr: 6.767 2 yr: 7.066 3 yr: 7.113	yes for the first 10 months of a 12 month contract. Rate of 6.823	YES	Yes, price added to bid price	None	New Rate change will require letters sent to residents currently on other suppliers	Yes	255 Illinois communities	11-0673
MidAmerican Energy	1 yr: 6.83 2 yr: 7.14 3 yr: 7.23	1 yr: N/A 2 yr: N/A 3 yr: N/A	NO	YES	NO	None	New Rate change will require letters sent to residents currently on other suppliers	YES	32 Illinois Communities	ICC Certification Number: 15-0440
Nordic Energy	1 yr: 6.686 2 yr: 6.907 3 yr: N/A	1 yr: 6.786 2 yr: 7.07 3 yr: N/A	NO	YES	Yes, price added to bid price	None	New Rate change will require letters sent to residents currently on other suppliers	yes	7 Illinois Communities	13-0293
Eligio Energy IL LLC	1 yr: 6.928 2 yr: 7.213 3 yr: 7.238	1 yr: N/A 2 yr: N/A 3 yr: N/A	NO	YES	NO	None	New Rate change will require letters sent to residents currently on other suppliers	yes	7 Illinois Communities	13-0293
IDT Energy	1 yr: 7.306 2 yr: 7.632 3 yr: 8.427	1 yr: N/A 2 yr: N/A 3 yr: N/A	NO	YES	NO	None	New Rate change will require letters sent to residents currently on other suppliers	Yes	2 Total 1 in Illinois	12-0428

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Aldersperson Koester moved to accept the bid from Constellation for the one year bid without a civic grant in the amount of 6.65 cents per kilowatt. This motion was seconded by Aldersperson Chesney and he emphasized it was for one year without the civic grant.

Aldersperson Brashaw recommended going with Homefield as they have been the current supplier and were recommended by Mr. Mudge.

Mayor Gitz repeated the motion that the bid is for 6.65 cents for one year with Constellation with no community grant. The motion prevailed by a roll call vote of:

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

Nays: Brashaw (1)

Possible action on acceptance of City of Freeport Street Lighting bids May 2017

Mike Mudge of Rock River Energy Services provided handouts to council member as follows:

March 6, 2017

**City of Freeport Street Lighting
524 W Stephenson St.
Freeport, IL 61032**

			Current Est. Annual Cost
Homefield (Dynergy)	0.03626	Per kWh	\$ 53,795.48
Contracted Rate:			
Fixed "ALL INCLUSIVE" Cost Comparison:			
Price includes Cost of Energy, Transmission Service Charges, Capacity Charges, Ancillary Service and PJM Charges, Renewable Portfolio Standard Costs, and Distribution and Transmission Losses. Does not include			
Estimated Term kWh Consumption	12 Months	24 Months	36 Months
Usage	1,483,604	2,967,208	4,450,812

Constellation

Alternative Supplier Rate:	0.03373	0.03294	0.03258
Est. Annual Fixed Energy Cost:	\$ 50,041.96	\$ 48,869.92	\$ 48,335.82

Dynergy Energy

Alternative Supplier Rate:	0.03625	0.03543	0.03507
Est. Annual Fixed Energy Cost:	\$ 53,780.65	\$ 52,564.09	\$ 52,029.99

Our Agent fee is included in this price and is paid to us directly from the contracted supplier.

for ComEd account: 3348128006, 0954128002, 0201108063

Aldersperson McClanathan moved to accept the low bid from Constellation for the three year rate (in the amount of .03258 per kilowatt). This motion was seconded by Aldersperson Busker. The motion prevailed by a roll call vote of:

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

Nays: none

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ADOPTION OF RESOLUTION R-2017-13:

Resolution Endorsing The Mayor Or Authorized Designee To Sign A Competitively Bid Contract For The Retail Supply Of Electric For The Residential And Small Business Customers In The City Of Freeport, Illinois

Aldersperson Busker moved for adoption of Resolution R-2017-13, seconded by Aldersperson Miller. The motion prevailed by a roll call vote of:

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

Nays: None

Aldersperson Koester asked how many days to have the contract in hand. Mr. Mudge explained as soon as the contract is signed, he can lock it in tomorrow.

ORDINANCES – SECOND READING (Continued)

2nd READING OF ORDINANCE #2017-16:

An Ordinance Amending Title Six Administration, Chapter 226 Mayor, Section 226.07 Of The Codified Ordinances Of The City Of Freeport, Illinois Regarding The Powers And Duties Of Mayor

The first reading was held on February 21, 2017. A motion to adopt was given by Aldersperson Busker, seconded by Aldersperson Klemm and the ordinance was automatically laid over to tonight's meeting. Mayor Gitz stated this ordinance was formulated by the Transition Committee. Aldersperson Chesney stated this ordinance passed out of the Transition Committee without dissent. Aldersperson Brashaw thanked Aldersperson Chesney for the work he has done as chair of the committee. She also noted Attorney Sosnowski reviewed this ordinance for legalities. It was approved by the Transition Committee and thanked the members for their work and efforts.

Upon the second reading, the motion for passage prevailed by a roll call vote of:

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

Nays: None

Ordinance #2017-16 passed.

ORDINANCES – FIRST READING

1st READING OF ORDINANCE #2017-19:

An Ordinance Amending The Boundaries Of The Northwest Illinois Certified Enterprise Zone

City Clerk Zuravel stated this ordinance is for consideration of expansion of enterprise zone by 15.46 acres for new housing construction "Rose Ridge Housing Development" and will be presented by Community Development Director Alex Mills. Administration requests suspension of the rules to waive the second reading of this ordinance. Director Mills presented the ordinance stating that Rose Ridge Housing Development is seeking an enterprise zone expansion of 15.46 acres (0.242 square miles) in order to stimulate construction of new homes on residential lots in the Rose Meadows Subdivision and Countryside Estates plat. This will consist of \$3,755,000 in capital investment for the new construction

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and creation of twenty-five full-time equivalent construction jobs. The ordinance 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.

Aldersperson Koester moved for adoption of Ordinance #2017-19 as presented, seconded by Aldersperson Klemm.

Aldersperson Busker moved for suspension of the rules for immediate consideration, seconded by Aldersperson Koester. Mayor Gitz explained the motion is non-debatable and requested a roll call vote. The motion for waiver of the second reading prevailed by a roll call vote of:

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

Nays: None

The motion for passage prevailed by a roll call vote of:

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

Nays: None

Ordinance #2017-19 passed.

1st READING OF ORDINANCE #2017-20:

An Ordinance Adopting An Update To The City of Freeport Comprehensive Plan And Amending Section 1222.01 (Description) of Chapter 1222 (Official Plan and Official Map) of the City of Freeport Codified Ordinances

Grants Coordinator Nancy McDonald presented the ordinance stating in order to start to move forward with a grant program to address lead hazards being offered by the United States Department of Housing and Urban Development's Office of Lead Hazard Control and Healthy Homes, the City would be required to amend the City of Freeport Comprehensive Plan. Our plan does not include such a provision to address lead based paint hazards. Without this amendment, we will be ineligible to apply for this grant opportunity. It may also affect our ability to secure other federal housing-related grant funds.

Ms. McDonald proposes to amend the Comprehensive Plan under Section 3 Residential Neighborhoods Goals and Objectives to include the following which she read aloud:

“Actions to address LBP hazards and increase access to housing without LBP hazards

Goal: To increase the inventory of lead safe homes. Strategies:

Continue to meet HUD lead-based paint abatement standards in housing rehabilitation programs.

Expand the stock of lead safe housing units through housing initiatives.

Establish working relationships with lead professional and key partners including risk assessors, clearance technicians, public health departments, and other HUD lead program grantees.

Create procedures for determining when it is more cost effective to presume that lead hazards are present and when it is appropriate to evaluate a property.

“How will the actions listed above relate to the extent of lead poisoning hazards?”

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“The effectiveness of the programs operated by the City of Freeport are monitored through the City’s Community Development Department. Local programs target some of the oldest housing stock in the City, which is typically in the worst condition and most likely to have lead-based paint hazards. To the extent that lead-based paint hazards are found in the older housing stock, the City’s programs address the issue directly.

“How are the actions listed above integrated into housing policies and procedures?
The City of Freeport currently performs visual inspections of housing units included in its housing programs. Where defective paint is observed, surfaces are prepped and repainted, following abatement guidelines provided by HUD. All rehabilitation and other assistance programs include provisions requiring that all painted surfaces be in good condition. Housing units are inspected according to the provisions of the Housing Quality Standards regulations, including lead-based paint conditions.”

Aldersperson Koester moved for adoption of Ordinance #2017-20, seconded by Aldersperson Ross. Mayor Gitz stated the ordinance will be laid over to the next meeting. He explained there will need to be a public hearing on the Comprehensive Plan amendment and this will take place on March 21st due to the publication requirements. He stated there will also need to be a special meeting of the City Council on that date because the grant application is due shortly thereafter.

RESOLUTIONS

ADOPTION OF RESOLUTION R-2017-09:

Resolution To Approve The Preliminary Plat For Smithville Subdivision

Community Development Director Alex Mills stated he has been requested by petitioner to refer preliminary plat to the Planning Commission for further consideration. Aldersperson Chesney made a motion to send Resolution R-2017-09 back to the Planning Commission, seconded by Aldersperson Koester. Motion prevailed by voice vote without dissent.

ADOPTION OF RESOLUTION R-2017-10:

Resolution To Approve The Final Plat For Smithville Subdivision

Community Development Director Alex Mills stated he has been requested by petitioner to refer final plat to the Planning Commission for further consideration. Aldersperson Chesney made a motion to send Resolution R-2017-10 back to the Planning Commission, seconded by Aldersperson Koester. Motion prevailed by voice vote without dissent.

ADOPTION OF RESOLUTION R-2017-11:

Resolution To Authorize An Amendment To Intergovernmental Agreement For The Operation Of An Enterprise Zone

Community Development Director Alex Mills provided a memorandum in the council packet which stated the resolution is necessary for the City of Freeport to formally indicate approval of expansion of

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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.

Alderson Koester moved for adoption of Resolution R-2017-11, seconded by Alderson Brashaw. The motion prevailed by a roll call vote of:

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

Nays: None

Resolution R-2017-11 was adopted.

ADOPTION OF RESOLUTION R-2017-12:

Resolution Authorizing The Acceptance Of The Illinois Housing Development Authority Grant Under The Abandoned Properties Program

Grants Coordinator Nancy McDonald stated the Illinois Housing Development Authority (IHDA) of the State of Illinois offered a second round of the Abandoned Properties Program in early fall 2016. The program is funded by fees collected on foreclosure filings within the State of Illinois. The program provides funds to secure, maintain, demolish or rehabilitate abandoned homes. We received \$25,000 in Abandoned Property Program funding in 2016. We estimate nearly 400 abandoned blighted residential units within the City of Freeport. To address this issue, we submitted a proposal to IHDA in the fall of 2016. In February of 2017, IHDA notified the City that we were awarded a \$71,000 Abandoned Property Program grant. Through this award, we hope to demolish and re-green 7 abandoned, blighted residential properties. Discussion was held on the total awards and the number of municipalities receiving grants. Alderson Koester moved for adoption of the resolution, seconded by Alderson McClanathan. The motion prevailed by a roll call vote of:

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

Nays: None

Resolution R-2017-12 was adopted.

The following item was moved forward on the council agenda (*see page 7 and 8 of the minutes*):

Adoption of Resolution R-2017-13: Resolution Endorsing The Mayor Or Authorized Designee To Sign A Competitively Bid Contract For The Retail Supply Of Electric For The Residential And Small Business Customers In The City Of Freeport, Illinois.

ADOPTION OF RESOLUTION R-2017-14:

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

Grants Coordinator Nancy McDonald presented a resolution and corresponding documents in regard to a United States Department of Housing and Urban Development's Office of Lead Hazard Control and Healthy Homes offering a grant program to municipalities to address lead hazards. Through our proposal, the City will work with local agencies to reduce the lead toxicity risk in families, specifically those with children under 6 years. Ms. McDonald explained the Lead-Based Hazard Grant Proposal provides funding for three years to address lead hazards. The maximum award under this program is \$1,500,000. There is a match requirement of 10% or \$150,000 over three years. There is also a bonus of

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\$150,000 for enhanced healthy homes activities that does not require a match. Additionally, the program offers 10% administration funding. Grant-funded programs are scheduled to start 7/1/2017 and end on 6/30/2020. The City of Freeport will be the applicant for this proposal and will work with the Stephenson County Health Department and the Northwest Illinois Community Action Agency to deliver the program. Proposed activities will include lead toxicity testing, health monitoring and treatment, residential structure lead surveys and abatement, relocation during abatement, data collection and reporting, and outreach. The program also provides funding to purchase computers and other equipment to deliver the program.

Also present at the meeting was Nick Dale of Northwest Illinois Community Action Agency and Craig Beintema, Director of the Stephenson County Health Department. They explained the City of Freeport’s Finance Department will provide grant monitoring, reporting, and fiscal management. In addition, Northwest Illinois Community Action Agency and the Stephenson County Health Department will provide grant match and assistance with administration of the grant. The City will retain 100% of awarded administrative funding.

Proposed Program Funding and Match

Source	Grant	Match Year One	Match Year Two	Match Year Three	Total Match All Three Years
Federal	\$1,500,000				
City of Freeport		\$16,667	\$16,667	\$16,666	\$50,000
Northwest Illinois Community Action Agency		\$16,667	\$16,667	\$16,666	\$50,000
Stephenson Co. Health Department		\$16,667	\$16,667	\$16,666	\$50,000
Total	\$1,500,000	\$50,001	\$50,001	\$49,998	\$150,000

Healthy Homes Bonus	\$150,000
Total Lead Grant and Healthy Homes Bonus	\$1,650,000

Aldersperson Koester moved for adoption of the resolution, seconded by Aldersperson Ross. The motion prevailed by a roll call vote of:

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

Nays: None

Resolution R-2017-14 was adopted.

REPORTS OF DEPARTMENT HEADS

Community Development

Community Development Director Mills had no further report.

Finance

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Director Bernadelle had no report other than he will meet with the Rockford Finance Director to gain additional knowledge on municipal finance.

City Engineer

City Engineer Gallagher stated he and Director Glendenning will begin planning for the construction work ahead of them.

Water and Sewer

Director Glendenning had no report.

Finance

Director Bernadelle had no report.

Public Works

Director Dole stated he will provide activity reports next meeting because he has been busy putting together Council Chambers. Director Dole thanked his crew for all they did to help with the move and to help put together Council Chambers so we could have our meeting here tonight.

Director Dole received compliments on the room and a request to move the podium so that it is not behind the aldermen on the north side. Alderperson Brashaw asked if there were funds available for the sidewalk program. Director Dole reported there are funds available and interested persons should contact his office for the forms and information. He will also write this into the next budget.

Alderperson Chesney requested an update on the former Boys and Girls Club. Director Dole stated that Director Mills has the information on the asbestos remediation. Director Mills stated the asbestos remediation will begin this week and should be complete within ten working days, so by the end of March.

Fire Department

Fire Chief Miller had no report.

Police

Chief of Police Todd Barkalow provided information on the "One Book One Freeport" event to be held at the Boys and Girls Club with a meet and greet of the author, Mr. Shelton Johnson, of "Gloryland".

MAYOR'S REPORT

Mayor Gitz provided a welcome to everyone to the new City Hall at 314 W. Stephenson where we are hosting our first City Council meeting in Council Chambers. He noted the broadcast through Comcast

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was completed just this afternoon. He thanked the council for their support of the water ordinance, the lead based paint grant and expanded enterprise zone. Next week at the Committee of the Whole there will be review of not-for-profit fees for building permits.

COUNCIL ANNOUNCEMENTS/NEW BUSINESS

Council members thanked the staff and the Public Works Department for all of their work to move to the new City Hall and to Winter Construction on the quality of workmanship to renovate the building.

Aldersperson Klemm spoke about making decisions without bringing politics into them in an effort to move the City forward.

Aldersperson Miller spoke about a recent event put on as a fundraiser that featured one of our council members as a model.

Aldersperson Brashaw thanked the staff on the work put forth for the move. She provided thanks for caring word of sympathy for the recent passing of her father. She noted she received word that the council meeting had no sound but at 6:08 pm it was fixed.

Aldersperson Koester noted words of congratulations on the City Hall building and Council Chambers. He will provide a further report on Sky Concert as options are cleared up. He spoke about his disappointment of voter turn-out for the Primary. He encouraged voters to vote at the Consolidated Election on April 4, 2017.

Aldersperson Chesney spoke about the support of the council for the move to the new City Hall building. He stated the council will need to address the fence around the former City Hall building. He spoke about how the council has worked together to address City Hall and they did not always agree but came together to address the issues.

PUBLIC COMMENTS – AGENDA OR NON-AGENDA ITEMS

Bernie Mrugala clarified what he meant for the Water and Sewer rate structure. He thinks because of his estimates for depreciation we should have used a CIP of \$8.00 per month. He also provided his figures for Snak King. He recommended looking at the loans that will drop off.

City Clerk Zuravel thanked the Water and Sewer Commission and the Public Works Department for their hard work and energy put into the move of City Offices to the 314 W. Stephenson building. Their commitment and dedication saved the City in moving costs. She also thanked the dedication of Tom Dole, Curt Suttman, Shaun Gallagher, Dovie Anderson and Diane Kahly for their efforts in making this our new City Hall.

Aldersperson Koester thanked City Clerk Zuravel for her dedication to the City during the move to the new City Hall offices.

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Upon a motion duly made and seconded, the meeting was adjourned at 8:20 pm.

s/ Meg Zuravel

Meg Zuravel
City Clerk