

MINUTES OF THE FEBRUARY 12, 2013 PUBLIC HEARING AND MOUNT CARROLL CITY COUNCIL MEETING

Mr. John Boelkens rang the bell to announce the start of RINGING OF BELL the meeting. Mayor Carl Bates called the meeting to CALL TO ORDER order at 7:15 p.m. Roll call: Mayor Carl Bates, present, ROLL CALL Aldermen Tom Charles, present, Jim Rose, present, Bob Sisler, present, Doug Bergren, present, Mike Risko, present and Doris Bork, present. Alderman Risko led the Pledge of Allegiance. Mr. Jeff Davis gave the invocation.

PUBLIC HEARING - CITY OF MOUNT CARROLL TUESDAY – FEBRUARY 12, 2013 AT 7:15 P.M.

Mayor Bates introduced Ms. Sharon Pepin, Community Funding and Planning Services, to facilitate the public hearing. The following information was presented to the council members in attendance and the general audience.

Purpose of Public Hearing -

The City of Mount Carroll is holding a Public Hearing to obtain citizens' views on the submission of a Community Development Assistance Program (CDAP) Public Infrastructure grant application from the Illinois Department of Commerce & Economic Opportunity (DCEO) for sanitary sewer improvements. This public hearing is a requirement of the grant program, and is the first of two Citizen Participation Public Hearings. Specific program and project information is discussed below.

Range of Activities Funded Through These Grant Programs -

The CDBG program is funded by Title I of the Federal Housing & Community Development Act of 1974, as amended. The State of Illinois' CDBG program is known as the Community Development Assistance Program (CDAP). Through this program, funds are available to assist Illinois communities meet their greatest economic and community development needs, with an emphasis upon helping persons of low-to-moderate income.

To ensure the State's CDAP program meets the intent of the Federal Housing & Community Development Act, Congress has required the program meet at least one of the following three national objectives: benefiting low-to-moderate income persons; aiding in the prevention or elimination of slums and blight; or meeting other community development needs that pose a serious and immediate threat to the health and welfare of the community.

To complement these federally-mandated objectives, DCEO has established the following specific objectives for the CDAP program: Strengthening community economic development through the creation of jobs, stimulation of private investment and strengthening the tax base; Improvement of public infrastructure and elimination of conditions which are detrimental to health, safety and public welfare; and, Conservation and expansion of the state's housing stock in order to provide a decent home and a suitable living environment for persons of low-to-moderate income and the developmentally disabled.

Eligible activities funded under the Public Infrastructure component include water, sanitary sewer and storm sewer projects that involve the acquisition, construction, reconstruction, rehabilitation, demolition or installation of public infrastructure and improvements.

Amount of Funds Available -

Each year, the Illinois Department of Commerce & Economic Opportunity establishes funds for each of their CDAP program categories. This year, the state's allocation is estimated at \$26,000,000. A breakdown of each program category's funding allotment is as follows: Economic Development - \$5,000,000, maximum grant amount is \$750,000; Public Infrastructure Construction - \$7,445,000, maximum grant amount is \$450,000; Planning Design Engineering - \$2,000,000, maximum grant amount is \$150,000; Housing Rehabilitation - \$5,000,000, maximum grant amount is \$400,000; Additional Housing Rehabilitation for Physically Disabled Persons - \$750,000, maximum grant \$100,000; and Emergency Public Infrastructure - \$2,750,000, maximum grant amount is \$200,000; Approximately \$900,000 is set aside for State administration.

Proposed Benefit To Low-and-Moderate Income Persons -

The City conducted a community-wide income survey in 2012 that documented a 55.6% low-to-moderate income household benefit. Mount Carroll's proposed grant application project includes improvements to its sanitary sewer collection system, which will benefit the entire community.

Plans For Minimizing Displacement -

No displacement is anticipated as a result of this project.

Detailed Prioritized List of Community Development Needs -

In January 2009, the City of Mount Carroll updated its Five-Year Capital Improvements Plan (CIP), which identified a number of public infrastructure, community and economic development-type projects. Below is a brief listing of the projects that were identified in the CIP.

- Brick Street Restoration and Roadway Improvements
- Sidewalk Improvements
- Sanitary Sewer Improvements
- Wastewater Treatment Facility Improvements
- Water System Improvements
- New Police Department
- New Salt Storage Facility
- Trail development
- Green space and park expansion
- Campbell Center/Community Center/Old School Building
- City-wide beautification plan
- City-wide signage plan/theme

Over the last few years, the City has completed some of the items identified in its CIP. These projects included the construction of a new water tower and well, along with the renovation of a second well; improvements were made to the wastewater treatment plant and various roadway improvements have been completed. The City has also assisted with the completion of the renovation of one of its downtown historic buildings. Mount Carroll also created a new way-

finding signage plan and has installed signage around the community identifying the location of various public facilities.

The City's sanitary sewer collection system and wastewater treatment facility each has historically experienced problems with inflow and infiltration (I/I) during periods of wet weather. The excessive flow is the result of clear water entering the sanitary sewer collection system. With the water system improvement project now complete, the City is looking to address issues within its sewer collection system. In 2004, the City completed a Sanitary Sewer Evaluation Study of its sewer collection system to identify and eliminate the sources of clear-water entering the collection system. This study entailed smoke testing, flow monitoring, dye testing, manhole evaluation and the televising of the pipes within the collection system. Based upon information gathered, the study identified a number of areas that have failing pipe, and areas that are contributing sources of inflow and infiltration.

One of the worst and most costly deficiency areas to correct is in the area of Mill Street. Mill Street is the lowest elevation road in the City and is directly adjacent to the wastewater treatment plant. Mill Street is also the location of the main sewer trunk line leading to the wastewater plant. Typically, the area most susceptible to infiltration is low-lying areas which have higher groundwater tables. The sewer study showed extensive infiltration along Mill Street near the wastewater facility. Another area that was shown to have infiltration issues is the sewer piping that is adjacent to the Aspen Drive subdivision.

During rain events, these areas experience excessive flows, which are ultimately transported to the wastewater treatment facility. These excessive flows amounts of I/I causes flooding, which leads to the wastewater treatment plant to be hydraulically overloaded. When this occurs, it affects treatment plant operations and efficiency, and it can lead to the plant exceeding its EPA permit requirements. Both of these problems are prohibited by IEPA and can cause concern relative to health issues for the general public. Improvements to these areas will greatly reduce the amount of infiltration entering the sanitary sewer system and will reduce flooding and overloading at the wastewater treatment facility.

The City of Mount Carroll's CDAP Public Infrastructure grant application request is for repair and lining of roughly 3,000 linear feet of deteriorated and failing pipe within the sanitary sewer collection system. The proposed project locations are along Mill Street, from Rapp Street to Franklin Street including the piping into the wastewater treatment plant, and a section of piping that runs near Aspen Drive to Cole Avenue and then to Mill Street. The proposed sanitary sewer rehabilitation project is estimated to cost \$135,800. Mount Carroll is applying to DCEO for a Community Development Assistance Program Public Infrastructure grant in the amount of \$103,300, which is 76% of the project cost and includes funds for the administration of the grant. The amount of CDAP funds to be used for sanitary sewer improvements that will benefit low-to-moderate income persons is roughly \$53,918. The City will be contributing 24% of the project cost, or roughly \$32,500. A portion of the City's contribution will include in-kind labor.

The public may access the City's Community Development Assistance Program grant application by contacting the City Clerk at 815-244-4424 to arrange a time. A complete copy of the grant application will be available at City Hall after February 19, 2013.

Ms. Pepin noted that the grant application was to be submitted to the state office on Friday, February 15, 2013. Alderman Risko asked about the City's funding for this project. Ms. Pepin noted that those costs were outlined in the resolution of commitment and support. She noted that the engineers had indicated that the project scope of work was narrow and specific. There probably were a limited amount of contractors that could or would bid the project and the City's donated or in-kind work was anticipated at about \$1,300.00 for the crew to observe or review locates for the contractors during the installation of the pipe lining. The City would then look to fund about \$31,200.00 towards the project. Alderman Sisler commented that the City's donated amount was City staff work. Ms. Pepin stated yes. Alderman Bork asked how many of the income surveys had been completed and returned. Ms. Pepin stated that as was stated earlier it was 76% of what was sent out to the community. She did not have that exact number here for this evening. Mayor Bates stated that had been reported to the council at one time. Alderman Bork noted she did remember getting that information. Ms. Pepin stated that the notification of the awards for this grants were expected around September of this year. Mayor Bates stated that the project could not be let for bids and started probably until the spring of 2014. The council would need to review this when doing the budget for this year and how much might be into the next year's budget.

Alderman Risko moved and Alderman Bergren seconded to pass RESOLUTION NO. R2-2013-3 Resolution No. R2-2013-2, A RESOLUTION OF SUPPORT AND COMMITMENT OF FUNDS. Roll call vote: Aldermen Charles, yes, Rose, yes, Sisler, yes, Bergren, yes, Risko, yes, and Bork, yes. Vote: 6 yeases and 0 noes. Resolution No. R2-2013-3 was adopted by unanimous roll call vote.

At 7:32 p.m. Mayor Bates stated that this was the close of the public hearing to hear public comment about the submission of a Community Development Assistance Program (CDAP) Public Infrastructure grant application from the Illinois Department of Commerce & Economic Opportunity (DCEO) for sanitary sewer improvements. The remainder of the city council meeting would continue from here.

Alderman Risko moved and Alderman Charles seconded to approve the minutes of the January 22, 2013 regular meeting as presented. Roll call vote: Aldermen Rose, yes, Sisler, yes, Bergren, yes, Risko, yes, Bork, yes and Charles. Vote: 6 yeses and 0 noes. The motion was carried.

MINUTES

Alderman Charles moved and Alderman Bork seconded to authorize the payment of the accounts payable to date for the month of January 2013 as approved by the finance committee. Roll call vote: Aldermen Sisler, yes, Bergren, yes, Risko, yes, Bork, yes, Charles, yes and Rose, yes. Vote: 6 yeses and 0 noes. The motion was carried.

ACCOUNTS PAYABLE

Alderman Bergren reported the bank account balances were at \$363,262.10 as of today before the accounts payable are paid.

FINANCIAL REPORT

COMMITTEES

Alderman Risko reported of the February 11th recreation board meeting:

RECREATION

1. The purpose of the meeting was to consider the application of Ms. Jessica Moore to replace Deb Gallentine as the pool manager for this summer season. Alderman Risko reported that the board did approve a recommendation to hire Ms Moore. Alderman Sisler asked if a salary had been determined as well? The council members present voiced their approval to have this matter discussed with Ms. Moore and brought back to the finance committee for review at the next meeting

POOL MANAGER

Alderman Charles reported of the February 12th finance committee meeting:

FINANCE

1. The bills were reviewed and approved.
2. Alderman Charles reported there were fourteen (14) bidders for the sale of the City's 1990 and 1992 dump trucks. Alderman Charles presented the finance committee recommendation to accept the high bids as follows: From Gale Miller of Shannon, IL for \$7,500.00 for the 1992 Ford Truck and from Greg Greenfield of Freeport, IL for \$5,750.00 for the 1990 Ford Truck. Roll call vote: Aldermen Bergren, yes, Risko, yes, Bork, yes, Charles, yes, Rose, yes, and Sisler, yes. Vote: 6 yeses and 0 noes. The motion was carried.
3. Alderman Charles presented the finance committee recommendation to approve the contribution of \$25.00 to the After Prom Committee towards this year's activities. Roll call vote: Aldermen Risko, yes, Bork, yes, Charles, yes, Rose, yes, Sisler, yes, and Bergren, yes. Vote: 6 yeses and 0 noes. The motion was carried.
4. Alderman Charles presented the finance committee recommendation to approve the purchase of 25 new USA flags for the American Legion at the cost of \$359.45. Roll call vote: Aldermen Bork, yes, Charles, yes, Rose, yes, Sisler, yes, Bergren, yes, and Risko, yes. Vote: 6 yeses and 0 noes. The motion was carried.
5. Alderman Charles presented the finance committee recommendation to hire WIPFLi, LLP (of Sterling, IL) for a second year to conduct the annual audit for the year ending April 30, 2013 at the cost of \$18,000.00. Roll call vote: Aldermen Charles, yes, Rose, yes, Sisler, yes, Bergren, yes, Risko, yes, and Bork, yes. Vote: 6 yeses and 0 noes. The motion was carried.
6. Alderman Charles reported that from last meeting the council members were to bring back some input about what should be specified to look for to pursue a forensic audit for the City. Alderman Bork responded with an e-mail stating the following: "I don't feel we should rush into this forensic audit. I am looking at some of this information and I need more time to look at some of

SALE OF DUMP TRUCKS

DONATION TO AFTER PROM

NEW FLAGS

ANNUAL AUDIT

these accounts, I only have so much time with working, you know how that goes. I believe with talking to some people that we need a forensic examination instead of an audit. And, I believe we can't have WIPFLI do it because they would be checking their own work. From what I gather it would be much less than what Carl said. Look at how much time it has taken with the hand book, we need much more time for something so important."

Alderman Charles stated that Alderman Sisler provided the following e-mail response:

"City Council – Position Statement on the Forensic Audit – Alderman Sisler

In reply to those who have requested a forensic audit, perhaps better described as a forensic examination. I feel that we should, just as we would for a regular audit, prepare a "Request for Proposal" that could include both types of audits to be sent out after we have addressed the cost of such audits in the appropriation ordinance for 2013. The forensic audit should cover all the account funds and should audit the years 2008 thru 2012 and the regular audit follow up with the current fiscal year. My personal examination of the financial record is not yet finished."

No action was presented from the finance committee at this time."

In discussion Alderman Sisler asked about the School Crossing Fund. In 2008 it was approved by the council from the minutes to close the account. Then there was a fund balance in the 2011 financial statement. That amount was \$8,144. At the same date the bank balance statements stated a balance of zero. The later financial statement indicated a negative balance of that same amount. If the account was closed would this still be there? Mayor Bates stated that the auditors would be contacted to ask this question.

Mayor Bates stated he wished to address one of the portions of a quote that Alderman Sisler had included in a Letter to the Editor of the (February 6th) Mirror Democrat newspaper. The quote he presented from the auditors from their Significant Deficiency Letter to the City Council from the April 30, 2013 audit was as follows:

"Management does not currently possess the expertise to accurately prepare the financial statements and related disclosures for accuracy and completeness in accordance with accounting principles generally accepted in the United States of America." Mayor Bates stated the full quote from the letter was as follows:

Financial Statement Preparation We must evaluate management's ability to prepare the financial statements drafted by us for accuracy and completeness in accordance with accounting principles generally accepted in the United States of America. Due to the complexity of several of the footnote disclosures, management does not currently possess the expertise to accurately prepare the financial statements and related disclosures for accuracy and completeness in accordance with accounting principles generally accepted in the United States of America. In order for the City to remedy this issue, the City would need to hire additional accounting staff to prepare the financial statements and related notes in accordance with accounting principles generally accepted in the United States of America. We realize it would not be cost beneficial for the City to hire this additional staff."

The discussion that followed was Alderman Charles and Risko noted that they had started to work on some of the suggestions from the auditors to review the bank statement reconciliations. Alderman Sisler stated that he felt the finance chair was misinterpreting what he was looking for he would like him to meet with him to check with what he had seen. City Attorney Ronal Coplan stated that if there was a lack of understanding about what the auditors were saying then the council might want to ask the auditors to come back and talk with them. He noted that almost all of the deficiencies that were indicated in the annual audit report were boiler plate statements that could and would be shown in about 95% of the annual audits presented to small communities in northwest Illinois. It was a recognition of most local communities to be able to fund and have the staff to be able to eliminate deficiencies for

wherever there were checks and balances. Alderman Risko commented he felt these have been deceptive statements. Alderman Risko stated he wished to address the Letter to the Editor from Alderman Bork placed in the January 30th Mirror Democrat newspaper. Part of what was wrote was addressing the solid waste contract. Stated from Alderman Bork's letter: "After the city's pick-up, the city would save \$10,442 over the three-year contract. The ink wasn't yet dry and the mayor worked out a deal (without notifying the chair of Solid Waste) with Dennis Pate to increase the rate from \$92,856 for year one, two and three to \$95,659.20 for the fourth, an increase of \$2,803.20, and year five an increase from \$92,856 to \$98,550, an increase of \$5,694, a total of \$8,497.20, including city dumpsters, to the City of Mount Carroll. And who is the city? We, the taxpayers." Alderman Risko read the story from the newspaper of the same date: "Some council members were unhappy with the fact that although the rate was lower than previous years, city dumpster pickup was not included in the base price of the contract as had been the previous practice. After hearing that some aldermen were not happy with the new contract, Moring Disposal emailed an offer to the mayor that included the following statement: "We would appeal to the City of Mount Carroll to consider this offer for finalizing a new contract with our company. Moring Disposal would be willing to include all dumpster services that the city has always received included in the base contract price, and we would ask that the city would elect to extend the new contract out two additional years with automatic CPI (Consumer Price Index) increase4s not to exceed three percent in year four and five." Aldermen approved on a 4-2 vote an amendment to the contract that will result in "a monthly charge of \$7,738 for three years, deleting the city's dumpster pickup charge of \$133 per month, and to extend the contract two more years, paying a maximum monthly charge of \$7,971 in year four and \$8,212 in year five." Alderman Bork said the amended contract provided by Moring would cost the city an additional \$8,487 over the five year period. Bork added she thought the council should wait until the end of the current contract. Alderman Charles, at an earlier meeting, had supplied a spreadsheet that showed the increase to be only \$481 over a five-year period when it is taken into consideration that Moring will be removing the \$1,600 per year pickup fee for city dumpsters." Alderman Risko stated he felt the article presented this issue most accurately.

City Attorney Ronald Coplan was in attendance and reported that a hearing was set for the 14th of the month regarding the 113 N. Mill Street property. He would report back. On February 5th he had met with the owner for the Market Street property. They have an architect with a contractor to provide a proposal and estimate of costs by the next hearing set for April 2nd.

MILL STREET &
MARKET STREET
PROPERTIES

Regarding the agenda item for the council's input to consider a written quote for a forensic audit for the City of Mount Carroll, Mayor Bates noted there were two responses from the council members. He asked what action the council wanted to take from here. He could get the information to put together a RFP (Request for Proposal). Alderman Risko moved and Alderman Charles seconded to authorize to put together a RFP for a forensic audit/examination to seek proposals for costs. Roll call vote: Aldermen Rose, yes, Sisler, yes, Bergren, yes, Risko, yes, Bork, yes, and Charles, yes. Vote: 6 yeses and 0 noes. The motion was carried.

FORENSIC AUDIT

Alderman Sisler moved and Alderman Risko seconded to approve the license agreement with the American Society of Composers, Authors and Publishers (ASCAP) at an annual fee of \$327.00. Roll call vote: Aldermen Sisler, yes, Bergren, yes, Risko, yes, Bork, yes, Charles, no, and Rose, yes. Vote: 5 yeses, 1 no and 0 absent. The motion was carried.

ASCAP
AGREEMENT

Alderman Charles moved and Alderman Bork seconded to approve the BLUE RIBBONS request from the Stephenson County All Our Kids Network to place blue ribbons on the City street lamps during the week of April 14th through the 20th in recognition of the Child Abuse Prevention promotion. Roll call vote: Aldermen Bergren, yes, Risko, yes, Bork, yes, Charles, yes, Rose, yes, and Sisler, yes. Vote: 6 yeses and 0 noes. The motion was carried.

Alderman Risko moved and Alderman Bergren seconded to acknowledge MFT AUDIT REPORT receipt of the Motor Fuel Tax audit report for the 2010 and 2011 calendar years. Roll call vote: Aldermen Risko, yes, Bork, yes, Charles, yes, Rose, yes, Sisler, yes, and Bergren, yes. Vote: 6 yeses and 0 noes. The motion was carried.

Alderman Risko moved and Alderman Bergren seconded to authorize the MFT DOCUMENTS Mayor and Clerk to sign the motor fuel tax documents to complete the paperwork for the 2009 through 2011 motor fuel tax expenditures as presented by the Illinois Department of Transportation. Roll call vote: Aldermen Bork, yes, Charles, yes, Rose, yes, Sisler, yes, Bergren, yes, and Risko, yes. Vote: 6 yeses and 0 noes. The motion was carried.

GENERAL AUDIENCE

Under general audience the following presented comments to the council regarding confidence in the City's employees, questions why Alderman Bork and Alderman Sisler were looked down at when asking questions, a question about the hiring of a treasurer, a comment that they felt the taxpayers should not have to pay for a forensic audit, if the individuals questioning the discrepancies with the City's fund balances have any proof of wrong doing to go to the authorities or bring in the proof, what other projects could be done instead of paying for a forensic audit, two year's ago the question of the malfeasance with the City payroll was proven wrong, there are no issues with the cemetery fund, the water project's EPA loan does not require a reserve account, (however this later statement was countered with a different comment and interpretation), and there were no issues with the revolving loan fund to the CDC. The residents of the community were: Jeff Woodside, Teri Ebensberger, Jeanne Schnitzler, Percy Vesperman, Ronald Brashaw, Nina Cooper, and council comments were from Alderman Bergren and Alderman Risko.

CORRESPONDENCE

Under correspondence Mayor Bates reported of the Carroll County Emergency Service and Disaster Agency letter regarding the tactical interoperable communication plan exercise on February 21st at the Farm Bureau building in Mount Carroll. They were looking for community leaders and emergency response teams to participate. This goes along with the National Incident Management System (NIMS) training programs. Alderman Sisler noted he had attended training for this. He questioned whether everyone had gotten the other training required by the State.

Alderman Sisler asked if there would be any issues with Freedom of Information Act requests done by the council in the future. Clerk Cuckler stated they would be handled the same as they have been in the past.

Alderman Bergren moved and Alderman Risko seconded to adjourn the ADJOURNMENT meeting. Roll call vote: Aldermen Charles, yes, Rose, yes, Sisler, yes, Bergren, yes, Risko, yes, and Bork, yes. Vote: 6 yeses and 0 noes. Mayor Bates adjourned the meeting at 8:38 p.m.

The Mount Carroll City Council approved these minutes at the February 26, 2013 regular meeting.

Julie A. Cuckler
City Clerk & Collector

