

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
June 27, 2011**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, June 27, 2011 in the Council Chambers of City Hall; 420 N. 6th Street; Rochelle, IL 61068.

PLEDGE TO THE FLAG & PRAYER: The Prayer was said by City Clerk McKinney.

ROLL CALL: Present on Roll Call was Councilmembers Eckhardt, Berg, Hayes, Hollonbeck, Rice, and Mayor Olson. Absent: Councilman McDermott. Also present were City Manager Plyman and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.: None

REPORTS AND COMMUNICATIONS:

Mayor:

- **Appointments to Boards & Commissions, Effective July 1, 2011:** After Mayor Olson introduced the appointments, Councilwoman Hollonbeck moved and Councilman Berg seconded, **"I move the Council concur with the Mayor's appointments to the following Boards and Commissions:"**

Kathryn Shaw-Dickey	Planning & Zoning Commission	Reappointment to 7/1/2016
Vicki Snyder-Chura	Planning & Zoning Commission	Reappointment to 7/1/2016
Edward Rodriguez	Planning & Zoning Commission	Reappointment to 7/1/2016
Robert Johns	Planning & Zoning Commission	Moved up to Voting Position -- 7/1/15
Ryan Carson	Planning & Zoning Commission At-Large	Reappointment to 7/1/2016
Tom Huddleston	Planning & Zoning Commission At-Large	Reappointment to 7/1/2016
Robert Johns	Board of Police & Fire Commissioners	Reappointment to 7/1/2014
Ron Stonebraker	Stormwater Advisory Commission	Reappointment to 7/1/2014
John C. Kenney, Jr.	Airport Advisory Board	Reappointment to 7/1/2014
William W. Tyler, Jr.	Airport Advisory Board	Reappointment to 7/1/2014
Dale Meyers, Sr.	Airport Advisory Board	Reappointment to 7/1/2014
Joel Thompson	Airport Advisory Board	Moved to Voting Position - 7/1/14

Motion passed by voice vote without dissent.

Council Members:

- Councilman Berg: Brought up a conversation he had with Mr. Plyman during the City Manager interviews in which Mr. Plyman had noted the lack of councilmembers participation in committees and communication. Now that Mr. Plyman has taken over the City Manager position, it seems a good time to set up a meeting-of-the-whole for the council members to discuss how we can open up some lines of communication, such as forming committees, not to micro-manage but a way of sharing information, how we would like to do this, get some input from Mr. Plyman as well as Councilman Rice, who has previously served on committees for the County. Mr. Plyman added that this furthering of communication can also include ideas from the community. Mr. Berg will set up a time for the council to meet as a meeting-of-the-whole.

Financial Statements - May 2011: Included in Council Agenda Packets.

PUBLIC COMMENTARY:

- **Jeff Pignato**

- **Railroad Crossings:** Regards to silent railroad crossings. (The Mayor has requested that the new Railroad Board look further into this.) Also Mr. Pignato mentioned the use of air horns by visitors at the Railroad Park. (Mayor was not aware of this.)
- **RMU – Construction update, revisited:** What is the status of the power house in Carbondale. (Mayor Olson said that we should be going on line towards end of the year. Suggested Mr. Plyman get in touch with Joe Orlikowski for more information.)

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – June 13, 2011;
- b) Approve Bills 05/27/11-06/09/11=**\$432,287.16**; 06/10/11-06/16/11=**\$306,381.85**
- c) Approve Payroll 05/30/11-06/12/11=**\$ 193,747.82**;
- d) Authorize VFW 4th of July Parade – July 4, 2011;
- e) Appoint NIMPA Representative and Alternate;
- f) Authorize Residents to hold a Picnic in the Northwest Corner of Tilton Park Drive – July 9, 2011.

Moved by Councilman Berg and seconded by Councilman Rice, **“I move Consent Agenda Items (a) through (f) be approved by Omnibus Vote as recommended.”** Roll call vote was taken. Ayes:

Councilmembers Hollonbeck, Eckhardt, Berg, Rice, Hayes and Mayor Olson. Nays: None. Motion passed 6-0.

2) CDAP Grant – Project True Grit (Public Hearing and Action):

The Illinois Department of Commerce and Economic Opportunity has grant funds available through the Community Development Assistance Program (CDAP) that may be used to finance public improvements which support economic development. This includes water or sewer system upgrades to serve new and/or expanding businesses. Over the past few years, several industries have located, or plan to locate, in the southeast quadrant of the City, south of I-88 and east of South Main. Project True Grit, a large rail served manufacturing/processing plant, is also considering the southeast quadrant as a location for their new facility. In order to continue meeting the sanitary sewer needs in that region, the construction of an additional lift station on Caron Road is required. The City is seeking \$300,000 in CDAP grant funds to facilitate the development of True Grit which combined with the CDAP grant awarded for the Nippon Sharyo will fund over half the cost of the lift station. Additional grant funds are being sought to finance the balance of the cost. Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck, **“I move the Council recess into a Public Hearing for a CDAP Grant Project True Grit.”** Motion passed by voice vote without dissent. City Clerk McKinney stated that a clipboard was sent around for signatures as for the CDAP Grant they require names of those present for the public hearing. Comments for the Public Hearing:

Zachary Gill, Civil Engineer with Fehr-Graham & Associates of Rochelle, presented an overview of the CDAP Economic Development program and answered questions. The following information was presented:

- For 2011, the State’s federal Community Development Assistance Program tentative allocation is \$35,000,000. The Illinois Department of Commerce and Economic Opportunity accept grant applications at various designated times throughout the year from non-entitlement communities for competitive programs, such as the Economic Development component. There is \$8,000,000 available in the Economic Development component this year.
- Under the CDAP Economic Development component, funds may be used to assist for-profit and not-for-profit firms to carry out economic development projects. The business may use the funds for land acquisition, construction, reconstruction, installation or rehabilitation of commercial or industrial buildings, structures and other real property, equipment and improvements, and work capital expenses. CDAP funds may also be used to finance public facilities and improvements in support of economic development, such as water or sewer system upgrades to serve an expanding or new business. The proposed project will utilize CDAP funds for the addition of a lift station to the municipal sanitary sewer infrastructure extension to serve the proposed Coated Sand Solutions site in the City of Rochelle.

- This project will provide a benefit to low-to-moderate income persons. The percentage of LMI benefit will be substantiated through the utilization of Employee Income Certification Forms, for the creation of approximately 20 jobs at the project site. The total amount of funding requested by the City of Rochelle will be \$300,000.
- The proposed project will not displace any residents.
- The CDAP grant application is a public document and will be on file at the City of Rochelle City Hall with the City Clerk for all who are interested in viewing the document.
- As a condition of the CDAP grant program, a second public hearing will be held after the project work is completed to obtain citizen comments regarding the overall project performance.
- Prioritized list of community development needs:
 1. Aging Infrastructure
 2. Infrastructure construction to accommodate economic development demand
 3. Development of parks and recreational areas
 4. Infrastructure upgrades to accommodate growth in the City.

Noah Carmichael, of Fehr-Graham & Associates: Project True Grit has applied for annexation and preliminary plat that will come before the August Planning & Zoning Commission and subsequently before the council. It's something that's going to happen this fall with construction early next year if everything falls into place.

Moved by Councilman Berg and seconded by Councilman Eckhardt, **"I move the Council return to Open Session."** Motion passed by voice vote without dissent.

Moved by Councilman Berg and seconded by Councilman Rice, **"I move Resolution R11-12, A Council Resolution of Support for a Community Development Assistance Program (CDAP) Grant for Project True Grit, be adopted."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, Eckhardt, Berg, Rice, Hayes and Mayor Olson. Nays: None. Motion passed 6-0.

- 3) **Purchase of Cab & Chassis – Street Department:** The 2011-12 General Fund Capital Budget includes \$68,000 for the purchase of a one-ton cab and chassis (equipped with a dump box, hydraulics, plow and spreader) for the Street Department. The new truck will replace a 1999 one ton truck equally equipped. Subsequent to the required public notice, the City opened the following two bids for a one ton cab and chassis on June 16, 2011: Anderson Rock River Ford \$33,637 and Prescott Brothers Ford \$35,667. Both of these bids take into consideration the trade-in value of the existing truck as a credit. This vehicle, as specified, is also available through the Illinois Department of Central Management Joint Purchasing Program at a cost of \$39,329. City staff reviewed the bids and found that the Anderson Rock River Ford bid did not meet the minimum specifications in at least one area. Superintendent of Streets Don Elliott recommends acceptance of the Prescott Brothers Ford bid of \$35,667 due to the guaranteed trade in value. Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck,

"I move the Council award Bid C11-09 for the purchase of one new cab & chassis for the Street Division to Prescott Brothers Ford less trade-in for a total of \$35,667 and reject all other bids." Roll call vote was taken. Ayes: Councilmembers Hollonbeck, Eckhardt, Berg, Rice, Hayes and Mayor Olson. Nays: None. Motion passed 6-0.

- 4) **Purchase of Dump Box, Hydraulics, Plow and Spreader – Street Department:** As stated in the previous agenda item, the 2011-12 General Fund Capital Budget includes \$68,000 for the purchase of a one ton cab and chassis equipped with a dump box, hydraulics, plow and spreader for the Street Department. The equipment specified in this bid will be installed on the one ton cab and chassis approved in the previous agenda item. Subsequent to the required public notice, the City opened a single bid submitted for a dump box, hydraulics, plow and spreader on June 16, 2011. Superintendent of Streets Don Elliott has reviewed the bids and recommends the acceptance of the apparent low bidder, Bonnell Industries, with a bid of \$31,791 for the purchase and installation of a new dump body, plow, spreader and hydraulic system on the one ton cab and chassis previously approved. Moved by Councilwoman Hollonbeck and seconded by Councilman Rice, **"I move the Council award Bid C11-10 for the purchase of Dump Box, Hydraulics, Plow and Spreader to Bonnell Industries for a total of \$31,791 and reject all other bids."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, Eckhardt, Berg, Rice, Hayes and Mayor Olson. Nays: None. Motion passed 6-0.

- 5) **Purchase of 4X4 Regular Cab Pickup Truck with Plow – Street Department:** The 2011-12 General Fund Capital Budget includes \$34,000 for the purchase of a ¾ ton 4x4 pickup truck for the Street Department. The new truck will replace a 1996 pickup truck equipped with a plow and end-gate lift. Subsequent to the required public notice, the City opened the following three base bids for a 4x4 regular cab pickup truck with plow on May 19, 2011: Sawicki Motors \$30,830, Prescott Brothers Ford \$32,465.30 and Anderson Rock River Ford \$33,186. In addition the dealers provided trade in allowances and options for diesel engine and end-gate lift upgrades. This vehicle, as specified in the base bid, is also available through the Illinois Department of Central Management Joint Purchasing Program at a cost of \$28,569. City staff reviewed the bids and found that Sawicki Motors does not meet the specifications in multiple areas. Superintendent of Streets Don Elliott recommends the acceptance of the Prescott Brothers Ford bid of \$32,465.30 with the end-gate lift option of \$2,591 minus the guaranteed trade in allowance of \$3,500 for a total of \$31,556.30 in order to keep the purchase local. Don Elliott, Street Division Superintendent, was present for questions. Moved by Councilman Berg and Seconded by Councilman Hayes, **“I move the Council award Bid C11-11 for the purchase of a 4X4 Regular Cab Pickup Truck with Plow including the end-gate lift option and trade-in allowance for a total of \$31,556.30 to Prescott Brothers Ford and reject all other bids.”** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, Eckhardt, Berg, Rice, Hayes and Mayor Olson. Nays: None. Motion passed 6-0.
- 6) **Electric Revenue Requirements, Cost of Service and Rate Design - RMU:** The cost of service methodology used to determine the rates for Rochelle Municipal Utilities (RMU) electric customers was last accomplished in 1998. Since that time the method for providing electricity, diversity of RMU customers and the upcoming Prairie State Project have significantly changed the electric business at RMU. Interim City Manager Meggon McKinley requested that Utility Advisory Board Member Ray Schwartz obtain a proposal from an outside source for an electric rate study. The purpose of this study is to ensure that RMU continues to remain competitive in the electric market based on cost of service and customer base. Mr. Schwartz contacted Russ Hissom of Baker Tilly for a proposal based on Mr. Hissom's involvement and the firm's support during the 1998 rate design. Baker Tilly has identified a scope of services for revenue requirements, cost of service and rate design for a fee not to exceed \$27,590. Pending approval of the proposal, Baker Tilly will prepare a final report and recommendations to be presented to the City in fall of 2011. Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck, **“I move Agreement 11-4071, An Agreement with Baker Tilly Virchow Krause, LLP for Electric Revenue Requirement, Cost of Service and Rate Design for a fee not to exceed \$27,590, be approved.”** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, Eckhardt, Berg, Rice, Hayes and Mayor Olson. Nays: None. Motion passed 6-0.
- 7) **Resolution for Caron Road Improvement Under the Illinois Highway Code:** In the 1990's, through an intergovernmental agreement between the City and Ogle County, the County managed a Caron Road improvement project. Ogle County was the lead agency at that time but the jurisdiction of the improvements has since been transferred to the City of Rochelle. The City should have approved a resolution to appropriate Motor Fuel Tax (MFT) funds in the amount of \$417,682.23 in conjunction with the project. The Illinois Department of Transportation (IDOT) recently completed an audit on the Caron Road project and did not find the required resolution. Approval of the resolution will allow IDOT to officially authorize all engineering and/or construction disbursements associated with the project. No additional funds will be disbursed as a result of this resolution. Sam Tesreau, City Engineer, was present for further information and to answer questions. Moved by Councilman Rice and seconded by Councilwoman Hollonbeck, **“I move Resolution R11-13, A Resolution for Improvement by Municipality under the Illinois Highway Code for Caron Road, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, Eckhardt, Berg, Rice, Hayes and Mayor Olson. Nays: None. Motion passed 6-0.

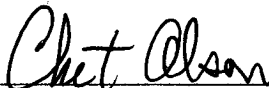
- 8) **Reduction in Letter of Credit – Lighthouse Pointe Subdivision Route 38 Improvements:** An irrevocable letter of credit, No. S2009-121, for \$1,958,797.39 was originally submitted to the City of Rochelle by North Route 38 LLC to secure their obligations related to offsite improvements located on and adjacent to Illinois Route 38. In addition, the developer has posted a bond for the improvements with the Illinois Department of Transportation (IDOT) due to IDOT's jurisdiction over the Illinois Route 38 right of way. Ryan Fitzgerald, representing North Route 38 LLC, has requested a reduction in the letter of credit based on the completion of a portion of the improvements and the fact that there are three levels of surety for the same improvements: the letter of credit, the IDOT bond and the general obligation bonds issued under the TIF District. City Engineer Sam Tesreau has reviewed the request and estimates that there are over \$900,000 worth of improvements yet to be completed which are secured by this letter of credit. The IDOT bond does not allow the City to draw on surety funds in the event there is a need which, providing the City's surety is reduced will leave IDOT in control of the completion of the Route 38 improvements. City Engineer Sam Tesreau recommends that if a reduction in the letter of credit is granted the surety should not be less than 10%, \$196,000, of the original surety amount and that a replacement letter of credit be submitted for a period of not less than 24 months prior to release of the original surety. Wal-Mart is also a beneficiary to the irrevocable letter of credit, No. S2009-121, and will have to concur before the surety can be reduced. Sam Tesreau and Ryan Fitzgerald were present to answer questions. Mayor Olson was reluctant to reduce the Letter of Credit at this time. Moved by Councilman Berg and seconded by Councilman Eckhardt, **"I move the Council approve a reduction in the Letter of Credit #S2009-121 for the Route 38 Improvements in connection with the Lighthouse Pointe Subdivision to \$196,000."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, Eckhardt, Berg, Rice, and Hayes. Nays: Mayor Olson. Motion passed 5-1.

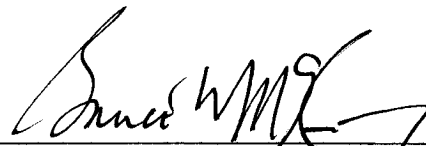
DISCUSSION ITEMS:

- 1) **2010 Census Data:** The 2010 Decennial Census, taken on April 1, 2010, resulted in an official population for the City of Rochelle totaling 9,574. Since that time the United States Census Bureau has released additional data for Flagg Township. Community Development Director Chris Limas discussed the additional data and responded to questions from the Mayor and City Council.

EXECUTIVE SESSION: None.

ADJOURNMENT: At 8:06 p.m., moved by Councilwoman Hollonbeck and seconded by Councilman Hayes, **"I move the Council adjourn."** Motion passed by voice vote without dissent.


Chet Olson, Mayor


Bruce McKinney, CMC
City Clerk