

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
MONDAY, MARCH 14, 2011**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, March 14, 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 were Councilmembers Hayes, Eckhardt, Hollonbeck, T. McDermott, D. McDermott, and Mayor Olson. Absent: Berg. Also present were Interim City Manager McKinley and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.: None

REPORTS AND COMMUNICATIONS:

- **Mayor:** None
- **Council Members:** None
- **Employee Introduction:** **Michelle Quest**, Customer Service Representative at RMU was introduced by Barbara Bell. She attended Kishwaukee College and has experience of eleven years in customer service with Milton Propane, four years in administrative assistance at Edward Hines Precision, and most recently as office manager with Rochelle Avionics.

PUBLIC COMMENTARY: None

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – February 28, 2011
- b) Approve Minutes of Special City Council Meeting – February 18, 2011
- c) Approve Bills 02/25/11-03/02/11 - \$224,792.31
- d) Approve Payroll 02/07/11-02/20/11 - \$190,986.04
- e) Accept and Place on File Motor Fuel Tax Fund Audit – January 1, 2008 through December 31, 2009.

Moved by Councilwoman Hollonbeck and seconded by Councilman D. McDermott, **“I move Consent Agenda Items (a) through (e) be approved by Omnibus Vote as Recommended.”** Roll call vote was taken. Ayes: Councilmembers Eckhardt, Hayes, D. McDermott, T. McDermott, Hollonbeck, and Mayor Olson. Nays: None. Motion passed 6-0.

- 2) First Avenue Lift Station Project:** To assist with public improvements related to the recent plant expansion of Sara Lee, an application for a Community Development Assistance Program (CDAP) grant was submitted through the Illinois Department of Commerce and Economic Opportunity. A CDAP grant in the amount of \$720,000 was subsequently approved to assist with the construction of approx. 600 linear feet of sanitary sewer and upgrades to the existing First Avenue lift station. The design and bid specifications for the project were prepared by Willett Hofmann & Associates with an estimated cost of \$794,000. In July of 2010 a single contractor responded to the request for bids. Due to the amount of the bid, \$1,199,879, staff recommended rejecting it and rebidding at a later date when contractors would be preparing for the 2011 construction season. Subsequent to the required public notice, bids were opened on March 3, 2011, with six contractors submitting bids. RMU staff and their consultant, Matt Hansen from Willett Hofmann, have reviewed the bids and recommended accepting the apparent low bid from Fischer Excavating in the amount of \$720,130.26. Construction related to this project is expected to begin in April and will take approximately eight weeks. Kathy Cooper was present to answer any questions. She affirmed that Fischer Excavating has worked for the City before and they are a very good company to work with. Moved by Councilman Eckhardt and seconded by Councilman D. McDermott, **“I move the Council accept Bid C11-02 for the First Avenue Lift Station Project from Fischer Excavating, Freeport in the amount of \$720,130.26 and reject all other bids.”** Roll call vote was taken. Ayes: Councilmembers Eckhardt, Hayes, D. McDermott, T. McDermott, Hollonbeck, and Mayor Olson. Nays: None. Motion passed 6-0.

- 3) **Preliminary Plat – Prologis Park Rochelle Unit One:** On October 25, 2010 the Mayor and City Council approved the final plat for the Interstate Transportation Center Subdivision, which was to include the Nippon-Sharyo development. Nippon-Sharyo plans to build a 450,000 square foot factory to construct passenger rail cars. Since the approval of the final plat, Nippon Sharyo has decided to locate their facility in the Prologis Park situated east of Caron Road, south of Interstate 88 and north of Steward and Ritchie Roads. The preliminary plat for Prologis Park Rochelle Unit One includes a six lot subdivision with right-of-way dedication for a road and rail. Outlots A, B, C and D will contain the detention and drainage for the subdivision and Lot 1 will accommodate the Nippon-Sharyo facility. Lot 2 will be available for future development. On March 7, 2011 the Planning and Zoning Commission reviewed the petition for the preliminary plat and voted to recommend approval by a vote of 7-0 subject to any required changes to easements or right-of-ways and an approved stormwater management plan. City manager, Meggon McKinley stated that she had spoken with each of the Councilmembers previously about the changes in the plan for Nippon-Sharyo's location and the contracts with the Metra plus they have added contracts with Toronto, Canada and with California on the west coast. This will create a total of 250-plus jobs and as orders increase, it will mean more. The average wage per worker will be about \$40,000; these are skilled laborers; a wide variety of workers; are partnering with Kishwaukee College to train and recruit a desired labor force. They have moved to the Prologis site which brings a significant benefit to the city of Rochelle in terms of the rail access that come to the site which provides better access to Nippon-Sharyo as well as surrounding businesses. Meeting with each of the grant holders and all the grants do transfer with the move. All of the paperwork has been submitted. It means a 5-million dollar rail grant, one-million dollar water and sewer grant, and a two-million dollar road access grant. Chris Limas, Community Development Director, gave some more information regarding the lots. The Plat is zoned I-2 Industrial; meets all the regulations of the City; fits in with the Comprehensive Plan; and overall development of the Industrial Park. In answer to a question, there will be a three-way agreement between Nippon-Sharyo, Prologis, and the City. The City is able to get the grants. Attorney Alan Cooper is working on agreements was available to advise that the first step is for Nippon-Sharyo to get their purchase agreement and they expect to have it signed almost immediately. Regarding our development agreement, he's heard from the Prologis attorney and has promises that he will have comments from the Nippon-Sharyo attorney by Wednesday. We need to have everything pretty well wrapped up by the closing on March 31st. Per Chris Limas, there are weekly meetings with Nippon-Sharyo and hope to have a building permit within the next couple weeks and construction will then begin ASAP. Moved by Councilman Eckhardt and seconded by Councilman Hayes, **"I move Ordinance 11-4014, An Ordinance Approving the Preliminary Plat of Subdivision for Prologis Park Rochelle Unit One, be adopted."** Roll call vote was taken. Ayes: Councilmembers Eckhardt, Hayes, D. McDermott, T. McDermott, Hollonbeck, and Mayor Olson. Nays: None. Motion passed 6-0.
- 4) **Amendment to the Lee County Enterprise Zone:** On December 23, 1986 the City of Dixon and County of Lee entered into an Intergovernmental Agreement to provide for the administration of an enterprise zone encompassing contiguous portions of the City of Dixon and County of Lee. The agreement was subsequently amended to include the City of Amboy, Village of Ashton, Village of Franklin Grove, Village of Paw Paw, City of Rochelle and Ogle County. As part of the agreement the government units included have indicated their willingness and desire to extend the boundaries of the Lee County Enterprise Zone to include additional properties, alter incentives, and alter the termination date of the zone. On October 25, 2010 the Mayor and City Council approved an amendment to the Enterprise Zone to include the Interstate Transportation Center, a territory expansion of 146 acres, to accommodate the Nippon Sharyo facility. Since that time, Nippon Sharyo has decided to locate their facility in the Prologis industrial park. Due to the location change, the Lee County Enterprise Zone plans to submit an application to the State of Illinois for zone changes to include 35 acres in Prologis Park and remove the Interstate Transportation Center property. John Thompson representing the Lee County Enterprise Zone was to have been in attendance to provide additional information and answer questions, but is "juggling" similar approval meetings for this topic at Ashton and Franklin Grove. Mr. Thompson's efforts to move quickly are very much appreciated. Moved by Councilman T. McDermott and seconded by Councilman Hayes, **"I move Ordinance 11-4015, An Ordinance Amending Ordinance No. 01-3501, be adopted."** Roll call vote was taken. Ayes: Councilmembers Eckhardt, Hayes, D. McDermott, T. McDermott, Hollonbeck, and Mayor Olson. Nays: None. Motion passed 6-0. Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck, **"I move Agreement 11-4016, Amendment #14 to An Intergovernmental Agreement Between the City of Dixon, City of Amboy, Village of Ashton, Village of Franklin Grove, Village of Paw Paw, City of Rochelle and Counties of Lee and Ogle Regarding Administration of an Enterprise Zone Dated December 23, 1986, be approved."** Roll call vote was taken. Ayes: Councilmembers Eckhardt, Hayes, D. McDermott, T. McDermott, Hollonbeck, and Mayor Olson. Nays: None. Motion passed 6-0.

- 5) **Reduction in Letter of Credit – Squires Landing Subdivision:** An irrevocable letter of credit, No. S2005-246 for \$1,514,361.53 was originally submitted to the City of Rochelle by Squires Landing LLC to secure their obligations related to land improvement for Squires Landing Subdivision located east of 20th Street. On October 9, 2007 the Mayor and Council approved a reduction in the letter of credit to \$390,756 due to completion of the majority of required improvements. On October 14, 2008 the deadline for completion of the remaining public improvements and maturity date of the letter of credit were extended to October 18, 2009. A subsequent reduction in the letter of credit to \$98,600 was approved on September 14, 2009 along with a two year extension due to the downturn in residential development. Ryan Fitzgerald, representing Springcreek Development Group, has requested a further reduction in the letter of credit based on the completion of additional improvements. City Engineer, Sam Tesreau, has reviewed the request and outlined the remaining conditions required for release of the surety: completion of sidewalks, ramps, restoration and as-built plans. Since the final plat was recorded in 2006 there have been 22 building permits issued in the Squires Landing Subdivision which accounts for approximately 50% of the lots. The sidewalks and ramps along the undeveloped lot frontages have not been completed or connected to the existing sidewalks. Given that there are additional items to be completed, the replacement letter of credit or other surety recommended is no less than \$48,000 with an expiration date of no earlier than October 31, 2011. Sam Tesreau was present to answer questions. Moved by Councilwoman Hollonbeck and seconded by Councilman D. McDermott, **“I move the Council approve 11-4017, a Reduction in the Letter of Credit No. HACH306180OS for Squires Landing Subdivision at no less than \$48,000 with an expiration date of no sooner than October 31, 2011 with all conditions as listed in the City Engineers letter dated 9/9/2009 satisfied.”** Roll call vote was taken. Ayes: Councilmembers Eckhardt, Hayes, D. McDermott, T. McDermott, Hollonbeck, and Mayor Olson. Nays: None. Motion passed 6-0.
- 6) **Engineering Agreement with Fehr-Graham & Associates – Jack Dame Road Overpass:** The City of Rochelle, in association with Ogle and Lee County, held a Regional Transportation Summit with area legislators in January of 2007 to discuss various roadway infrastructure needs within and adjacent to the City of Rochelle. Various funding requests were submitted to the legislators as part of the summit. Congressman Manzullo has obtained approximately \$245,000 for the Jack Dame Road Overpass Project which is a key component of the Greater Ogle County Southwest Rochelle Truck Route. This funding will help offset the cost for a Preliminary Engineering feasibility analysis and the preparation of other required supporting documents. Fehr-Graham and Associates has identified a scope of services for preliminary engineering elements for a fee of \$204,263. Additional engineering phases will be required in the future before a final set of construction plans and documents are approved and ready for bid letting. The preliminary engineering and analysis will define further engineering steps necessary as funding is available. The City will be reimbursed for eligible items by the Illinois Department of Transportation once the appropriate documentation is submitted and reviewed per the provisions of the agreement. Sam Tesreau was present to answer questions. He stated that they have had a couple of coordination meetings with IDOT and this is a preliminary step in order to move on to a particular task. Without an engineering agreement they are not able to provide the necessary data IDOT needs to proceed. Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck, **“I move Agreement 11-4018, An Agreement between the City of Rochelle and Fehr-Graham & Associates for engineering services related to Phase One of the Jack Dame Road Overpass, be approved.”** Roll call vote was taken. Ayes: Councilmembers Eckhardt, Hayes, D. McDermott, T. McDermott, Hollonbeck, and Mayor Olson. Nays: None. Motion passed 6-0.
- 7) **Ordinance Amending Municipal Code & Resolution – Annual Alarm System Permits:** The Rochelle Municipal Code provides that anyone installing or maintaining a burglar, smoke, fire, or medical alarm, which provides for notification to the Police and/or Fire Department, must file a permit application with the Chief of Police. The alarm permits currently expire three years following the filing of the application. This system results in alarm holders having different expiration dates, requiring billing to be processed every month. In addition, important information contained on the application often changes over a three-year period and can result in issues for the responding department. The Police Department is recommending that alarm permits be changed to an annual application process. This would result in a more efficient billing process and increase the accuracy of the information. The change would be effective on May 1, 2011 and current permit holders would be converted to the new schedule over the next three years. In addition an increase in the current rate of \$20 per three year period to \$25 per year is recommended. This increase will help offset the costs associated with billing, processing the applications and permits, and response from the Police and Fire Departments. Eric Higby, Police Chief, was present to answer questions. In answer to the concern over a big increase (\$20-\$75 when figured over a three-year period), he explained that according to what other cities are paying, it's still

pretty modest. There have been some continual problems with a few alarms that aren't legitimate; false alarms that have been difficult to collect the fee for over three false alarms; problem keeping key holders up-to-date. Moved by Councilwoman Hollonbeck and seconded by Councilman Hayes, **"I move Ordinance 11-4019, An Ordinance Amending Chapter 38 of the Rochelle Municipal Code: Expiration of Alarm Permits, be adopted."** Roll call vote was taken. Ayes: Councilmembers Eckhardt, Hayes, D. McDermott, T. McDermott, Hollonbeck, and Mayor Olson. Nays: None. Motion passed 6-0.

Moved by Councilwoman Hollonbeck and seconded by Councilman Eckhardt, **"I move Resolution R11-03, A Resolution Establishing Alarm Permit Fee, be adopted."** Roll call vote was taken. Ayes: Councilmembers Eckhardt, Hayes, D. McDermott, T. McDermott, Hollonbeck, and Mayor Olson. Nays: None. Motion passed 6-0.

- 8) **Simplified Municipal Telecommunications Tax Rate Change:** In 2002 the State of Illinois increased the telecommunications tax rate that municipalities could charge to a maximum of 6%. This, combined with the State's portion, equates to a total maximum telecommunications tax rate allowable of 13%. The Mayor and City Council voted to increase the City's portion of the telecommunications tax rate from 1% to 3% in 2006 and again in 2007 to 5%. This rate may be adjusted annually. Several of the surrounding communities have increased their telecommunications tax rate to the 6% maximum. Increasing the tax rate from 5% to 6% would provide an additional \$60,000 per year in tax receipts to the City. In order to proceed with an increase, a certified copy of the ordinance must be filed with the Illinois Department of Revenue by March 20, 2011. Bruce McKinney, City Clerk, was able to give more information and answer questions. If passed the \$60,000 would be going into the General Fund; it would amount to about 50-cents to \$1.50 per month, depending how many phones they have and their telecommunication providers. The majority of cities that he surveyed are at 13%. This would make up for some of the sales tax we have lost recently. This tax rate can be reviewed twice per year. It was felt that at this time we should not increase and review it in six months at which time we can see how our sales tax is. **There was no motion made.**

DISCUSSION ITEMS:

- 1) **Towing Ordinance:** The Rochelle Police Department continues to look for enforcement initiatives that will reduce crime. By enacting a tow ordinance that provides for an additional administrative fee, the city will be taking a step toward this goal. A proposed administrative fee of \$500.00 would be imposed on certain traffic and criminal arrests. In order to retrieve a towed vehicle after one of the specified offenses, the fee and the tow bill would have to be paid in full. Police Chief Eric Higby provided additional information on the proposed tow ordinance and responded to questions from the Mayor and City Council. He checked with other agencies to see how they handled more serious violations. It was suggested they add "no insurance" to the list of offenses. Meggon McKinley added that they are working on a place to store the cars.
- 2) **Site Development Agreement ProLogis Park/Nippon Sharyo Parcel:** Grants have been secured for public improvements within the ProLogis Park as part of the Nippon Sharyo Manufacturing LLC project. The grants include funds for rail improvements, roadway improvements and utility infrastructure improvements. The combined total of these grants is approximately \$8 million. These grants are awarded to the City of Rochelle for the various public improvements. Section 86-52 of the Rochelle Municipal Code requires that surety in the amount of 110% of the cost of all public improvements must be provided, and that the City Engineer must certify that this surety has in fact been posted. Since the grants are made to the City and the public improvements funded by the grants exceed the minimum requirements of the project, the developer is not in a position to post this level of surety. This amendment to the ProLogis Park annexation agreement modifies the surety requirement to exclude those improvements funded by grants from the determination of the surety requirement. Meggon McKinley handed out a draft copy to the council members so that they can go over and have time to ask questions before it is voted on at the March 28th council meeting. She encouraged them to call her with any questions; she may even need to sit down and talk to each of them before this is voted on. Alan Cooper, City Attorney, was also present.
- 3) **Amendment to Annexation Agreement Prologis Park:** Subsequent to the decision by Nippon Sharyo Manufacturing LLC to discontinue their negotiations with the Black Earth Development Group for a high-speed passenger railcar manufacturing site on Route 38 west, and instead locate this facility on a 38 acre parcel within the ProLogis Industrial Park, City staff have negotiated a new three-party Development Agreement involving the City, the developer and the project. This agreement memorializes the public improvements that will be undertaken, and documents the entity responsible for those costs. The agreement also addresses the course of action if some or all of the grants that have been secured for the project do not materialize. Finally, the

agreement includes one schedule which represents the business arrangement between Nippon Sharyo Manufacturing LLC and ProLogis Land LLC and a second schedule that documents an agreement between the City and Nippon Sharyo Manufacturing LLC. Ms. McKinney again handed out a draft copy done by Alan Cooper. Nippon Sharyo's attorneys are also going over it. It will help the process to have all three bodies included in one agreement. Alan Cooper was also available.

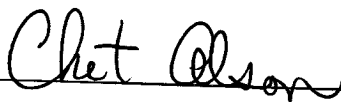
- 4) **Land Lease Agreement between the City and Chicagoland Skydiving Center:** As discussed at the February 14, 2011 City Council Meeting, Chicagoland Skydiving Center (CSC) is interested in relocating and expanding their skydiving business at the Rochelle Municipal Airport. A Land Lease Agreement has been developed between the City and CSC which would enable CSC to lease property for the purpose of constructing an aviation hangar, office building and other related facilities. Ms. McKinney updated information given the council earlier, regarding a financial arrangement they are working on with CSC, where CSC would pay back 50% of the costs which are actually Airport improvements but are being done now instead of later in order for CSC to proceed with their plans. Regarding the previous question of insurance, they have changed the Airport's insurance to Ace Insurance in order to provide coverage for skydiving. The increase in that premium is \$379 per year for an additional million dollars worth of coverage; did go through Rochelle Insurance as a broker. Airport Superintendent Don Elliott, along with Mark Delhotal of the Airport and City Attorney Alan Cooper were in attendance to provide details of the proposed agreement and respond to questions from the Mayor and Council. Mark Delhotal from the Airport checked with local businesses in regards to corporate air traffic and found they have no issues with the skydiving company using the airport. Don Elliott reported that, in checking with other municipal airports, there have been no issues with skydiving companies using their airport. There was some apprehension at first but after time they found it actually enhanced their airport and their operations (people and fuel usage). Ms. McKinney emphasized the importance of getting this agreement done ASAP. They hope to start skydiving by April 1st. The challenge is getting a paved road to their parking facilities. They will be setting up temporary facilities until their permanent facilities are ready. Ms. McKinney asked if the council would consider a special meeting on March 21st in order to accommodate the April 1st deadline. It was suggested to meet at 5:00 pm.
- 5) **2011-2012 Budget Timeline:** The City of Rochelle Budget for Fiscal Year ending April 30, 2012 has been compiled and will be presented to Council on March 28, 2011. The final budget must be adopted by April 30, 2011. City Manager McKinley gave the council several dates in order to establish a budget workshop date according to City Council availability. Tuesday, April 12th was decided on. The workshop will be held at the Tech Center.

At this time the Mayor expressed condolences and prayers on behalf of the City for those suffering in Japan as a result of the earthquake and tsunami. He requested a moment of silence and prayer.

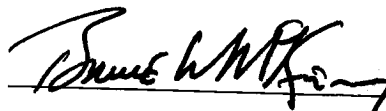
EXECUTIVE SESSION: At 8:28 p.m. moved by Councilwoman Hollonbeck and seconded by Councilman D. McDermott, **"I move the Council recess into executive session to discuss the appointment of a specific employee, Section (c) (1); and the discussion of minutes of meetings lawfully closed under this Act for purposed of approval by the body of the minutes or semi-annual review of the minutes as mandated, Section (c) (21)."** Motion passed by voice vote without dissent.

At 9:01 p.m., moved by Councilwoman Hollonbeck and seconded by Councilman D. McDermott, **"I move the Council return to Open Session."** Motion passed by voice vote without dissent.

ADJOURNMENT: At 9:01 p.m., Councilman Eckhardt moved and seconded by Councilman T. McDermott, **"I move the Council adjourn."** Motion passed by voice vote without dissent.



Chet Olson
Mayor, City of Rochelle



Bruce McKinney, CMC
City Clerk, City of Rochelle