

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
November 28, 2011**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, November 28, 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, McDermott, Berg, Eckhardt, Hollonbeck, Rice and Mayor Olson. Absent: None. Also present were City Manager Plyman and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.:

National Drunk and Drugged Driving Prevention Month – December 2011: Read by City Clerk McKinney.

REPORTS AND COMMUNICATIONS:

Mayor: Hoped everyone had a good Thanksgiving.

Council Members: Councilman Berg to schedule Public Works Committee:

- 9th Street and Jones Road – Traffic issue.
- Revision and handling of landscape waste - Minor change.
- Quiet Zones

Financial Statements – October 2011: Included in Council Agenda Packets.

PUBLIC COMMENTARY:

- **Ian K. Linnabary of Rockford – Recycling:** Spoke on behalf of Metal Recyclers; says that consumers need a choice of providers to get best value for their dollar; this is a small business that is trying to get ahead; will only put a dent in Rochelle Disposals business.

BUSINESS ITEMS:

1) **CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:**

- a) Approve Minutes of City Council Meeting – November 14, 2011
- b) Accept and Place on File Railroad Advisory Board Minutes – September 28, 2011
- c) Approve Bills 11/04/11-11/10/11: **\$1,637,259.96**, 11/11/11-11/17/11: **\$928,328.39**
- d) Approve Payroll 10/31/11-11/13/11: **\$205,709.89**
- e) Accept and Place on File Municipal Compliance Report – Fire Pension Fund

Moved by Councilman Berg and seconded by Councilman Rice, "**I move Consent Agenda Items (a) through (e) be approved by Omnibus Vote as recommended.**" Roll call vote was taken. Ayes: Councilmembers Hayes, McDermott, Berg, Eckhardt, Hollonbeck, Rice and Mayor Olson. Nays: None. Motion passed 7-0.

- 2) **Request from Metal Recyclers for Permission to Place Disposal Containers within the City:** The owners of Metal Recyclers submitted a letter to the City Council in June requesting permission “to set containers within the City limits to collect construction waste and other needs that require a large tub container.” Metal Recyclers is located at 8th Avenue and 20th Street and provides recycling and container services to residents and businesses in the surrounding communities. The City of Rochelle entered into a Waste Collection Agreement with Rochelle Disposal Service in 1995. This agreement provides Rochelle Disposal Service with rights associated with the collection and hauling of waste within the City limits. City Attorney Alan Cooper reviewed the request from Metal Recyclers, the existing Waste Collection Agreement, applicable state statutes and City Code provisions and provided his conclusions to the Mayor and City Council at their meeting on July 25, 2011. Due to the complicated nature of this request, the City Manager recommended referring it to the Administrative Committee for an in-depth discussion. On October 18, 2011 representatives from the City, Rochelle Waste Disposal and Metal Recyclers presented their positions to the Administrative Committee. Following a lengthy discussion, the three members of the Administrative Committee: Councilman Eckhardt, Councilman Rice and Councilwoman Hollonbeck, agreed to recommend denial of the Metal Recyclers request to the City Council from Metal Recyclers for Permission to Place Disposal Containers within the City. Present at the council meeting were the Attorney Alan Cooper, representing the City; Attorney Chuck Cole, representing Rochelle Waste Disposal Service, and Attorney Ian Linnabary, representing Metal Recyclers. Following discussion between the attorneys and council, there was concern about the interpretations of the contract with Rochelle Disposal. Two council members felt that the public should be able to have a choice of contractors, the council felt it best not to get into a legal battle. Moved by Councilman Eckhardt and seconded by Councilman Rice, **“I move the Council Deny the request from Metal Recyclers for permission to place disposal containers within the City limits.”** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hollonbeck, Rice and Mayor Olson. Nays: Councilmen Hayes and McDermott. Motion passed 5-2.
- 3) **Release of Billboard Easement – Prologis Land LLC:** On May 9, 2011 the Mayor and Council approved two billboard lease assignments from Prologis Land to the City of Rochelle. Subsequently, in August of this year, Prologis granted the City an easement so that one of the billboards could be relocated in order to facilitate rail service to the Nippon Sharyo Project. It has since been determined that the billboard, currently located along I-88, cannot be relocated. Instead, the City Industrial Rail will be re-routed around the billboard. City Attorney Alan Cooper recommends releasing the easement since it is no longer required. Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck, **“I move Agreement 11-4107, Release of Billboard Easement assignment from Prologis Land to the City of Rochelle, be approved.”** Roll call vote was taken. Ayes: Councilmembers Hayes, McDermott, Berg, Eckhardt, Hollonbeck, Rice and Mayor Olson. Nays: None. Motion passed 7-0.

4) **First Amendment to Recapture Agreement – Prologis Land LLC:** In connection with the annexation of property in 2005, the City of Rochelle and DP Industrial LLC entered into a recapture agreement which designated the Boyle farm as the benefiting property. The agreement included, among other provisions, specific calculations for the recapture of water and sewer improvements along Steward Road. In 2007 DP Industrial assigned its interest in the Recapture Agreement to Prologis Land LLC. Per the agreement, a portion of the recapture amount became due when 28.05 acres of property for the Coated Sand Solutions facility was annexed into the City. Coated Sand Solutions was to pay the recapture amount at the time of property closing from the Boyle family. In preparation for the closing, an error in the original recapture calculations was discovered. Attorneys representing the Boyle family, Coated Sand Solutions, Prologis and the City have since determined the correct amount. In order to correct the recapture formula as it relates to Coated Sand Solutions and future purchases, an amendment to the recapture agreement is necessary. City Attorney Alan Cooper gave the council an amended page 3. Moved by Councilman McDermott and seconded by Councilman Berg, **“I move Agreement 11-4108, First Amendment to Recapture Agreement between Prologis Land LLC and the City of Rochelle, be approved.”** Roll call vote was taken. Ayes: Councilmembers Hayes, McDermott, Berg, Eckhardt, Hollonbeck, Rice and Mayor Olson. Nays: None. Motion passed 7-0.

5) **Fraternal Order of Police Agreement 2011-2014:** The current agreement with Illinois Fraternal Order of Police was due to expire on April 30, 2011. It was extended subject to negotiations and ratification of a new agreement. A tentative agreement, retroactive to May 1, 2011, has been reached for a new three-year contract which will expire on April 30, 2014. The tentative agreement was ratified by members of the bargaining group on November 22, 2011. The tentative agreement contains many of the same provisions as the previous agreement. In addition, it incorporates language changes and wage and benefit modifications negotiated during the past several months. Some of the more significant changes include:

Group Insurance:

Effective 1-1-12 employees pay 5% of the premium for employee only coverage and 13% of the premium for family coverage.

Effective 1-1-13 employees pay 10% of the premium for employee only coverage and 14% of the premium for family coverage.

Effective 1-1-14 employees pay 15% of the premium for employee only coverage and 15% of the premium for family coverage.

Wage Schedule:

Effective 5-1-11 a one-time market adjustment of 10% will be added to the dispatch wage scale

Effective 5-1-11, across the board increase of 2.25%.

Effective 5-1-12, across the board increase of 2.75%.

Effective 5-1-13, across the board increase of 3%.

Lynette Fischer, Human Resources, was present to answer questions. Moved by Councilwoman Hollonbeck and seconded by Councilman Rice, **“I move the Council approve and ratify Agreement 11-4109, a Collective Bargaining Agreement between the City of Rochelle and the Illinois Fraternal Order of Police on Behalf of Rochelle Lodge #127.”** Roll call vote was taken. Ayes: Councilmembers Hayes, McDermott, Berg, Eckhardt, Hollonbeck, Rice and Mayor Olson. Nays: None. Motion passed 7-0.

- 6) **IMLRMA Min/Max Contribution Agreement:** The City of Rochelle has participated in the Illinois Municipal League Risk Management Association (IMLRMA) property and liability insurance program since 1997. The program covers the following risks: worker's compensation, auto liability, commercial general liability, portable mobile equipment, and the physical damage to auto and property. The program provides an opportunity to reduce our risk management costs through the use of "Minimum/Maximum Premium Program" whereby the City accepts some risk of loss in return for a reduction in premium. Our loss experience has resulted in significant savings in each of the years we have participated. HR/Risk Manager Lynette Fischer has reviewed the renewal proposal and recommends that we accept the net minimum premium of \$ 464,819. This premium represents an increase of 4.84% over the previous year. The majority of the premium increase is due to worker's compensation related costs. All coverage limits remain constant for 2011-2012 with the exception of coverage for Rail Operations. The type of endorsement required for this specific operation is unavailable at this time from IMLRMA. Selecting the minimum payment option subjects the City to additional premiums of approximately \$167,523 if our claims exceed program limits but, our past experience has not resulted in additional premiums. IMLRMA is offering the option of paying in two installments for an additional ½% fee. The recommendation is to pay the first installment in December of 2011 and the second in April of 2012, prior to the end of the fiscal year, for a total cost of \$467,143.10. Lynette Fischer introduced Eric Little of IMLRMA who gave an overview of the Minimum/Maximum Premium Program. Moved by Councilman Berg and seconded by Councilwoman Hollonbeck, **"I move Ordinance 11-4110, An Ordinance Authorizing the Execution of the IMLRMA Minimum/Maximum Contribution Agreement, be adopted."** Roll call vote was taken. Ayes: Councilmembers Hayes, McDermott, Berg, Eckhardt, Hollonbeck, Rice and Mayor Olson. Nays: None. Motion passed 7-0.
- 7) **Reduction in Letter of Credit – Lighthouse Pointe:** Irrevocable letters of credit No. 08522, 08521, 08520 and 08519 which total \$1,578,956.26 were submitted to the City of Rochelle by Spring Creek Development to secure their obligations related to land improvements for Lighthouse Pointe WalMart Addition Subdivision. Based on the completion of a majority of the improvements, Ryan Fitzgerald, representing Spring Creek Development Group, has requested a reduction in the letter of credit. City Engineer, Sam Tesreau, has reviewed the request for a reduction in the letter of credit. A letter outlining remaining conditions required for release of the surety has been sent to Spring Creek. Given that there are additional items to be completed, a new letter of credit for 10% of the total estimated cost of improvements, \$157,896, plus an additional \$139,864 for the remaining street lighting, restoration, erosion control removal, utility and manhole adjustments, grading/backfilling, signage and completion of the as built plans is required by the City to be held for a period of 24 months as guarantee of satisfactory completion. In addition, it appears an extension of the letter of credit of no less than one year will be required to complete the remaining improvements. Sam Tesreau, City Engineer; Don Elliott, Street Superintendent; and Alan Cooper, City Attorney were present to answer any questions. Moved by Councilman Eckhardt and seconded by Councilman McDermott, **"I move the Council approve a reduction in the amount of certain Letters of Credit issued as security for completion of the Lighthouse Pointe Subdivision improvements, subject to approval of the same reductions by the co-beneficiary and subject to fulfillment of all requirements of Section 86-52 of the Rochelle Municipal Code, as follows: Letters of Credit No. 08522, 08521, 08520 and 08519"**

shall be released upon issuance of a new letter of credit in form and substance satisfactory to the City and the co-beneficiary, in the total amount of \$297,760.00 representing security for the completion of improvements in the amount of \$139,864.00 and a guarantee of the performance of the land improvements for 24 months after acceptance of all land improvements by the council, in the amount of \$157,896.00. Roll call vote was taken.

Ayes: Councilmembers Hayes, McDermott, Berg, Eckhardt, Hollonbeck, Rice and Mayor Olson. Nays: None. Motion passed 7-0.

Moved by Councilman Eckhardt and seconded by Councilman Hayes, **"I move the Council approve the request of the Lighthouse Pointe developer for a one-year extension of the time period for completing land improvements in Lighthouse Pointe Subdivision, to September 27, 2012."** Roll call vote was taken. Ayes: Councilmembers Hayes, McDermott, Berg, Eckhardt, Hollonbeck, Rice and Mayor Olson. Nays: None. Motion passed 7-0.

DISCUSSION ITEMS:

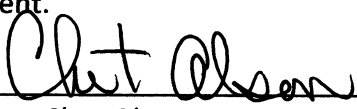
- 1) **Midyear Financial Report:** The City of Rochelle's 2011-2012 budget was adopted by the Mayor and City Council on April 25, 2011. The second quarter of the current fiscal year ended on October 31, 2011. Finance Manager, Chris Frye, was in attendance to share information on actual revenue and expenditures in relation to the budget, specifically in areas where there were variances. The Council received a printout of her Power Point presentation.

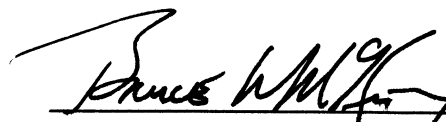
- 2) **Tax Levy 2011-12:** Annually the Mayor and City Council are required to adopt a Tax Levy Ordinance and file it with the County Clerk on or before the last Tuesday in December. The Ordinance Levying Taxes for the City of Rochelle 2011-12 will be included as a business item at the December 12, 2011 City Council Meeting. Finance Manager, Chris Frye, provided a printout of her Power Point presentation, including various options related to the levy. Every year a report is sent from the County giving an EAV (estimated assessed value). In 2010 the actual was \$205-million and the EAV for 2011 is \$244-million, an increase of about 20%. This is mainly due to the reassessment of property in Dement Township. Those properties had a chance to appeal and the appeal process will be in January. She then explained the different options according to the various tax levy rates.
In addition, the Rochelle Police and Fire Pension Fund Presidents discussed their respective recommendations and responded to questions from the Mayor and Council.

Rochelle Fire Pension Fund Recommendation – Zach Prewitt, President of the Fire Pension Board gave their report. They recommend a \$182,958 levy for the Fire Pension Fund. Rochelle Police Pension Fund Recommendation – Terry Inman, President of the Police Pension Board gave their report. Their board recommends a levy of \$260,330 for the Police Pension Fund.

EXECUTIVE SESSION: None

ADJOURNMENT: At 9:35 p.m., moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, **"I move the Council adjourn."** Motion passed by voice vote without dissent.


Chet Olson, Mayor


Bruce McKinney, CMC,
City Clerk, City of Rochelle