

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
April 9, 2012**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, April 9, 2012 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, Hollonbeck, Rice, Eckhardt, and Mayor Olson. Absent: None. Also present were City Manager Plyman and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.:

- **National Telecommunicator's Week – April 8-14, 2012:** Read by City Clerk and presented to Sandy Sullivan, Communications Supervisor, and other Rochelle Dispatchers present.

REPORTS AND COMMUNICATIONS:

- Mayor:
 - Appointment of Sue Messer to Police and Fire Pension Boards for a Term to Expire May 1, 2014. Moved by Councilman Berg and seconded by Councilwoman Hollonbeck. Motion passed by voice vote without dissent.
 - Mayor Olson will be on vacation April 11-18.
- Council Members:
 - Councilwoman Hollonbeck: Unable to attend the budget meeting April 11, 2012.

PUBLIC COMMENTARY:

- **Roger Beardin - Landfill Service Area Expansion of Service Area:**
 - In landfill hearings about five years ago, people were adamant that they did not want Chicago served.
 - How many of the truckers are teamsters who will not cross the picket line.
 - Smell is already terrible; what will it be like when they reach their quota. Many people have complained about it.
 - Totally against until what is already in landfill is taken care of.
- **Frank Beardin – Dump:** The Municipal Dump is “in his backyard.”
 - He well remembers that they promised during the hearings not to expand to outsiders.
 - Agreement was to pick up garbage that falls from trucks. Has not happened.
 - Feels they are trying to “pull the wool over their eyes again.”
- **Neal Jakel, IRE – Electric Rate Resolution:**
 - It has been challenging as IRE has tried a few times to have meaningful discussions with city officials on how they can help with RMU usage.
 - They employ 70 employees.
 - The Steward Road overpass has been a big help to them with the many trucks they use. They are the largest water and electric user in town. They have increased water usage by 9.6 % at an additional cost of over \$32,000 to IRE.
 - An additional cost in property taxes of \$70,000/yr.
 - Telecommunications costs have risen.
 - Electrical costs are their second highest cost. They can't continue handing down these increased costs to their customers.
 - Respectfully ask that City officials dialogue with them regarding the increased rate.
- **Roger Thuestad – Landfill expansion:**
 - Odor – Lives ¾ mile away. When driving down Creston Road the odor reeks.

- **LaRonda Thuestad – Landfill:**
 - ¾ mile from landfill. Ask that council reconsider accepting waste from outside the area. This was determined when the landfill expansion was fought which took a lot of time, effort, and money. Needs improvement in handling landfill as it already is; odor reeks.

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – March 26, 2012.
- b) Approve Bills 03/09/12-03/15/12= **\$2,107,340.36**; 03/16/12-03/29/12 = **\$472,502.44**.
- c) Approve Payroll 03/05/12-03/18/12= **\$192,579.61**.
- d) Authorize the City's Assistance with the Hospital Hustle 5K Fun Run/Walk – June 2, 2012.

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

Moved items 4 & 5 up on list.

- 4) Hub City Car Wash Variance Requests:** The City has received a request from Dave Hoffmann, on behalf of Hub City Car Wash, for three variances at 1185 N 7th Street. These variances are being requested due to a planned expansion of the business and the future Illinois Department of Transportation (IDOT) Illinois Route 251 widening project. The petitioner has requested a variance to the front yard parking setback to allow a 9 foot setback instead of the required 20 foot setback. Part of the front yard will be taken for the IDOT improvements and a 9 foot parking setback will match that of the property directly north of the car wash. In addition, a side yard buffer variance has been requested to allow a 5 foot buffer instead of the required 10 foot buffer. This variance will allow the petitioner to add a 4th self-service bay while still providing an appropriate turning radius. The third variance requested is to allow the relocation of the existing sign. The existing sign will need to be moved due to the reconfiguration of the driveway as part of the Illinois Route 251 project and staff believes the proposed sign location is the only location in the front yard of the business that will not affect traffic flow following the IDOT improvements. The proposed location of the sign face will be about 2 feet from the right-of-way with the sign pole about 7 feet from the right-of-way. At the April 2, 2012 meeting of the Planning and Zoning Commission the variance requests were considered. The commission voted 6-0, to recommend approval of the three variances as requested at 1185 N 7th Street due to the appropriateness of the expansion and hardship created by the Illinois Route 251 widening project. Sam Tesreau, City Engineer, was present to answer questions. Councilman Eckhardt had to abstain. Moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, "**I move Ordinance 12-4159, An Ordinance Approving Variances for Property Located at 1185 N. 7th Street, be adopted.**" Roll call vote was taken. Ayes: Councilmembers Berg, Hollonbeck, McDermott, Rice, Hayes, and Mayor Olson. Nays: None. Abstain: Councilman Eckhardt. Motion passed 6-0.

- 5) Rochelle Community Consolidated School District 231 Final Planned Unit Development:** On January 22, 2007 the Mayor and City Council approved the Planned Unit Development (PUD) Plan and Preliminary Plat for the Kings Crossing development. Included in this development was a future elementary school site located on the west side of 20th Street, north of Flagg Road. Rochelle Community Consolidated School District 231 has now petitioned for approval of a Final PUD (site plan) in order to construct a 72,000 square-foot elementary school on Lot #2 of the original development. The Final PUD for Rochelle Community Consolidated School District 231 includes a 48.99 acre lot with the proposed structure located on the south half of the parcel. The site will have two access points off of 20th Street, north and south of the proposed school, and parking located on the west, north and south sides of the school. In addition, water will be provided from a main along 20th Street, sewer will connect to the Akesson Park Lift Station and stormwater management will be provided by two detention ponds that will be constructed on property north of the school. On April 2, 2012 the Planning and Zoning Commission held a public hearing to review Rochelle Community Consolidated School District 231's

petition and voted to recommend approval by a vote of 7-0 subject to the following: posting of required surety and approval of final engineering, a final storm water management, and a final landscape plan. Sam Tesreau, City Engineer, and Kathy Cooper, Supervisor of Water/Water Reclamation were present to answer questions. The street and water/sewer will be to the west of Hayden Development. Mark and Diane Metzger, residents on Flagg Road, were present to give their concerns and ask questions: 1) traffic concerns, especially for future development; 2) property prodigal for water and sewer (Kathy Cooper said that they are to be added when the property owner [Mr. Hayden] annexes property.) Mayor Olson suggested sitting down with the City Manager, Kathy Cooper, Sam Tesreau, Chris Limas, other neighbors, and developer to work out details for the future; cannot be settled within the plan being voted on at this meeting. Moved by Councilman Berg and seconded by Councilwoman Hollonbeck, **"I move Ordinance 12-4160, An Ordinance Approving a Final Planned Unit Development for the Rochelle Community Consolidated School District 231, be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Hollonbeck, McDermott, Rice, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.

2) **City of Rochelle Fund Balance Policy:** In 2009 the Government Accounting Standards Board (GASB) issued Statement No. 54 in order to provide clarity and consistency to the reporting of fund balance information. Statement 54 establishes the following five fund balance classifications and describes the constraints associated with spending the various funds: non-spendable, restricted, committed, assigned and unassigned. Until now the City of Rochelle has categorized fund balances into restricted and unrestricted. In order to be compliant with GASB 54, the City of Rochelle must approve a fund balance policy by April 30, 2012 and issue the fiscal year 2012 financial statements in accordance with the policy. The proposed policy incorporates the new terminology and establishes the minimum level (target range) at which the projected end-of-year fund balance should be maintained. In addition, the policy includes actions that the City Manager will take to reach goals established in the adopted budget. Adoption of this policy will not alter the overall dollar value of the fund balance. Moved by Councilman Eckhardt and seconded by Councilman Rice, **"I move the Council adopt Policy 12-4158, City of Rochelle Fund Balance Policy, be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Hollonbeck, McDermott, Rice, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.

3) **Resolution Granting Real Estate Tax Abatement to Illiana Realty, LLC and Central Big R Stores, Inc.:** A Development Agreement between the City of Rochelle, Illiana Realty and Central Big R Stores was approved by the Mayor and Council at the March 26, 2012 City Council meeting. The agreement memorialized a variety of incentives, including real estate tax abatements, which are being provided to promote the redevelopment of the former Wal-Mart facility located at 1240 North 7th Street. The Big R Project was evaluated to determine the anticipated economic impact to the community. Illiana Realty's redevelopment of the property will include the construction of a warehouse addition of at least 12,000 square feet, renovation of the existing structure and donation of land in excess of 1 acre for expansion of the bike path. In addition, the Big R store will provide a minimum job creation of 40 full-time positions, estimated sales of \$7 million in year one of operation and \$8 million in years two and three. Based on this evaluation, a five-year abatement schedule on new improvements has been proposed as follows: 90% for year one, 75% for year two, 60% for year three, 45% for year four, and 30% for year five. The redevelopment of this anchor facility will help maintain the vitality of the IL Route 251 North commercial and retail corridor. Peggy Friday, Chamber of Commerce Director, was present to go over and answer questions regarding the five-year tax abatement schedule for Illiana Realty, LLC and Central Big R Stores, Inc., d/b/a Big R Stores, which is being recommended for Council to support and approve. Moved by Councilman Berg and seconded by Councilman McDermott, **"I move Resolution R12-07, A Resolution granting Real Estate Tax Abatement to Illiana Realty, LLC and Central Big R Stores, Inc., be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Hollonbeck, McDermott, Rice, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.

6) **Resolution Establishing Utility Services Price Schedule for Electric:** The last cost of service study used to design the rates for Rochelle Municipal Utility (RMU) electric customers was completed in 1998. Since that time the method for providing electricity, diversity of RMU customers and the addition of the Prairie State Project have significantly changed the electric business at RMU. In June of 2011, the Mayor and Council authorized the City Manager to engage the firm of Baker Tilly for consulting services related to electric revenue requirements, cost of service and rate design for RMU. An Electric Cost of Service Forecast report was subsequently prepared and presented jointly to the City Council and Utility Advisory Board (UAB) on December 12, 2011. The report includes a recommendation to revise the electric rates in order to more closely meet the cost of providing service. City Manager Plyman recommended that the rate increase of 14% be phased in over two years to ease the impact on the customers. Therefore, the proposed rate schedules have been drafted by Baker Tilly and represent an overall rate increase of approximately 7%. A typical residential customer with an average electric bill of \$67.00 will see an increase of \$6.19 per month. The UAB did not provide a formal recommendation but indicated they understood the need for an electric rate increase. Resulting discussion:

- Per Mr. Plyman, they have been in dialogue with IRE the past month.
- Communication solves many problems. Going forward there is a need to dialogue with businesses.
- Uncertainties in the utility market have changed in recent years.

This will be held over until the next meeting in order to dialogue with IRE.

7) **Resolution Authorizing Acceptance of Waste Generated Outside the Service Area at Rochelle Municipal Landfill #2:** On April 11, 2007 the Mayor and Council approved an Application for Local Siting Approval for the Rochelle Municipal Landfill #2 Expansion. This approval included several special conditions. Of those special conditions, number 36 states that "[t]he expansion shall not accept any waste generated outside the service area defined in the siting application, except as specifically approved otherwise by the City Council in writing." In September of last year, Rochelle Waste Disposal sent a letter to the City requesting permission to accept waste from outside the defined service area due to economic reasons. On September 26, 2011 the Public Works Committee of the City Council met to consider the request. Following further explanation by the operator, the committee recommended that the City Manager take the steps necessary to grant the request. Prior to presenting the request to the full Council, City staff met with Ogle County and Creston officials to discuss the expansion and other concerns associated with the landfill. Among other topics, Ogle County and Creston voiced concerns regarding the calculation of the local surcharge fees. After multiple discussions and letters between the parties, Rochelle Waste Disposal has agreed to pay local surcharge fees incurred during 2010, 2011, and going forward at a rate of \$1.27 per ton regardless of the annual volume of waste received. In addition, the operator has committed to installing the radiation detector and observation platform as required in Special Conditions 9 and 10. Superintendent Kathy Cooper has confirmed that Ogle County and Creston representatives are satisfied with the resolution provided via the March 15, 2012 letter of understanding and recommends proceeding with the Public Works Committee recommendation to grant permission to accept waste outside the service area. Present for further information and to answer questions were Kathy Cooper, John Lictey, Clyde Gilderlous, and Alan Cooper. Following items were included in discussion:

- Feels "garbage is garbage" and the amount of landfill is down from expected amount.
- Committee was not made aware of odor or trash on roads, etc. when they discussed at committee meeting.
- Have paperwork showing there have been violations of landfill agreement; also statements that these are false statements.
- Additional 300 % in odor, more trash blowing around, additional truck traffic; granted this would give us more money right now but cut down on the life expectancy of landfill.
- The odor problem was brought up several times; it's consistent. "Energy system should resolve the gas odor."
- The landfill agreement states that they would not take waste from Chicago area unless received written authorization from council, which is what they are asking for.
- Have had meetings with Creston.

- Doesn't feel that the landfill has kept up on its end of the bargain.

Moved by Councilman Berg and seconded by Councilwoman Hollonbeck, "**I move Resolution R12-09, A Resolution Authorizing Acceptance of Waste Generated Outside the Service Area of Rochelle Municipal Landfill #2, be adopted.**" Roll call vote was taken. Ayes: Councilmembers Berg, Hollonbeck, Rice, and Eckhardt. Nays: Councilmembers Hayes, McDermott, and Mayor Olson. Motion passed 4-3.

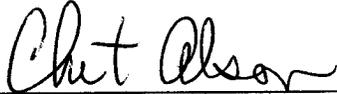
- 8) **Agreement for EDA Grant Engineering and Grant Administration:** The City of Rochelle submitted an application to the Economic Development Administration (EDA) in 2011 for funding assistance to improve the water and sanitary sewer system in the southeast industrial region and to construct rail to serve the Coated Sand Solutions facilities. On March 15th the City received notification from the U.S. Department of Commerce that an EDA Financial Assistance Award was approved in an amount not to exceed \$2,488,461. This award is fifty percent of the approved project cost of \$4,976,923. A majority of the City's required "local share" will be available through grant funds awarded by the Bureau of Railroads and Illinois Department of Commerce and Economic Opportunity. Approval of the EDA funding allows the City to move forward with the design and construction of an additional \$1.8 million in rail improvements. These improvements include the extension of the City of Rochelle Railroad from the eastern edge of the Illinois River Energy property, across Steward Road, to a terminus north of the eastern edge of the Coated Sand Solutions property. On March 28, 2012 the City issued a "Request for Qualifications" (RFQ) in order to identify firms interested in performing the engineering portion of the project. The only firm responding to the RFQ by the deadline was Fehr Graham and Associates. The associated agreement, submitted by Fehr Graham and Associates, includes all engineering aspects of the project that are eligible through the EDA grant. These aspects include design of the remaining rail improvements, construction engineering not covered in the Bureau of Railroads Track Construction Grant Agreement, and administration of the EDA grant for a fee of \$311,800. Approval of this agreement is critical in order to meet the requirements included in the Bureau of Railroads Agreement and complete the rail required for Coated Sands Solutions to be operational by August of 2012. Jason Anderson, Economic Development, was present to answer any questions. Moved by Councilman Eckhardt and seconded by Councilman Rice, "**I move Agreement 12-4161, An Agreement with Fehr Graham and Associates for services related to EDA Grant Engineering and Grant Administration, be approved.**" Roll call vote was taken. Ayes: Councilmembers Berg, Hollonbeck, McDermott, Rice, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.
- 9) **Agreements with TLC (Ryder) and Coated Sand Solutions – City Rail Expansion:** Rail car volumes on the City Industrial Rail (CIR) are expected to increase significantly in the future due to the new Coated Sand Solutions and Nippon Sharyo facilities. Economic Development Director Jason Anderson estimates that volumes may even double within the next 24 months. In order to provide additional storage track for both inbound and outbound rail cars, a 4,000 foot rail expansion of the interchange yard serving the Union Pacific line is being proposed. These rail improvements will not be paid for through any of the grant funds that have been secured. Via the proposed agreement, Coated Sand Solutions (CSS) has agreed to deposit \$750,000 with the City by May 1, 2012 in order to finance these rail improvements. The City will then complete the improvements based on the proposed plan and cost estimate. CSS will be reimbursed from the additional switching revenues at a monthly rate equal to \$72 times the total number of filled rail cars delivered to or shipped from CSS on the CIR. Due to the mutual benefit of the improvements, Total Logistic Control (TLC), which provides switching services on the CIR, has agreed to share in the monthly reimbursement. Of the \$300 switch fee paid by CSS per loaded rail car the reimbursement will be shared as follows: TLC will reimburse \$48 of its \$225 portion and the City will reimburse \$24 of its \$75 portion. The monthly reimbursement will continue until the initial deposit has been totally repaid which is anticipated to take less than three years. Staff recommends approval of both agreements for the purpose of expanding the CIR's rail storage capacity. Jason Anderson was present to answer any questions. Moved by Councilman Berg and seconded by Councilman Eckhardt, "**I move Agreement 12-4162, An Agreement between the City of Rochelle and Total Logistic Control, be approved.**" Roll call vote was taken. Ayes: Councilmembers Berg, Hollonbeck, McDermott, Rice, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0. Moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, "**I move Agreement 12-4163, An Agreement between the City of Rochelle and Coated Sand Solutions, be adopted.**" Roll call vote was

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

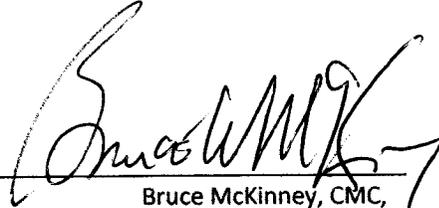
DISCUSSION ITEMS: None

EXECUTIVE SESSION: None

ADJOURNMENT: At 9:28 p.m., moved by Councilman Berg 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