

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
October 22, 2012**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Tuesday, October 22, 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 Berg, McDermott, Hollonbeck, Hayes, Eckhardt, and Mayor Olson. Absent: Councilman Rice. Quorum was present. Also present were City Manager Plyman and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.: None

REPORTS AND COMMUNICATIONS:

- Mayor:
 - Attended annual fall IML Conference Thurs thru Sat; will put together packet of information from conference for the council.
- Council Members:
 - Councilman Hayes recently attended conference in Minnesota on utilities; will give brief presentation in the future.
- Financial Statements September 2012: Included in Council Agenda Packets.

PUBLIC COMMENTARY: None

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – October 9, 2012;
- b) Approve Bills – 09/28/12-10/04/12 = **\$337,017.64**, 10/05/12-10/11/12 = **\$83,015.82**;
- c) Approve Payroll –09/17/12-09/30/12 = **\$212,088.05**.

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

- 2) **Ordinance Amending Chapter 94 (Traffic and Vehicles) to Provide for Permitting of Overweight Trucks and to Establish Permit Fees:** A number of local industries, grain elevators and the intermodal facility consider overweight transports to be important for their businesses' continued success. However, the Rochelle Municipal Code currently prohibits trucks weighing more than 80,000 pounds from using city streets, including designated truck routes. With the City's May 1st acceptance from Ogle County of a portion of Steward Road, the overweight trucks using Steward Road (primarily between the Illinois River Energy facility and the Global Crossing III intermodal facility) would be illegal and have always been illegal on other city truck routes. To allow time for staff and the trucking community to discuss changes to Code that would allow the overweight transports, the City has issued a moratorium since May 1st on the enforcement of the Code's weight restrictions under certain conditions. Since last Spring, City staff has solicited advice from truckers and other stakeholders on proposed changes to City Code. At the truckers' suggestion, the City also commissioned a study by Willett-Hofman Engineers to determine the cost impact of overweight transports on Steward Road and Intermodal Drive which could provide guidance on setting an appropriate fee for overweight permits. The Willett-Hofman report determined that each overweight trip involving a shipping container reduces the life of pavement at a cost to the City of approximately \$5.08. The truckers provided valuable information regarding the costs associated with trucking, the volume and nature of overweight trucks using Steward Road, Intermodal Drive and other city truck routes and the need for a solution that is not harmful to their businesses. City staff suggested that the optimum ordinance would facilitate a balance between the needs of the trucking industry while creating a source of new funds to support future road maintenance projects. Since that time, City staff and representatives of local industries and trucking companies have met on a number of occasions in a cooperative effort to work out a solution. City staff has incorporated many of the truckers' suggestions into the proposed ordinance. Unfortunately, the truckers and staff could not reach a full agreement over the proposed ordinance, particularly the permit fee amounts. On August 27, 2012 a draft ordinance was presented to the Mayor and Council. Following further discussion a consensus was reached to refer the topic to the Public Works Committee. Council members Berg and Rice have had subsequent meetings with stakeholders from the trucking industry and have developed a mutually agreeable solution which provides for the City issuing daily overweight permits at \$25.00 per day. The ordinance also provides the option for truckers to get an annual permit at a fee of \$350.00. In addition, the City Attorney has proposed changes to the ordinance to conform to the Illinois Vehicle Code, which sets the weight limit for all roads in the state at 80,000 pounds and includes penalties for violations. Finally, it is important to note that these changes will become effective on May 1, 2013, when the City accepts the remaining section of Steward Road; until that time the City will continue the moratorium. Alan Cooper, City Attorney, was present for questions. Moved by Councilman Berg and seconded by Councilman Hayes, **"I move Ordinance 12-4235, An Ordinance Amending Chapter 94 (Traffic and Vehicles) to Provide for Permitting of Overweight Trucks and to Establish Permit Fees, be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Hollonbeck, McDermott, Hayes, and Mayor Olson. Nays: Councilmember Eckhardt. Motion passed 5-1.

- 3) **Engineering Services Agreement –Second Avenue Water Main Project:** Over the past eight years, water personnel have repaired eight water main breaks in the 100 and 200 blocks of Second Avenue, three of which occurred in 2011-12. The breaks have revealed visible pitting and corrosion in this section of the main. The engineering firm of Willett Hofmann & Associates was asked to provide an agreement associated with the Second Avenue Water Main Project. They have since submitted a proposal for the design, bidding and award, and construction observation of the project for a fee of \$42,000. Approval of this agreement will facilitate completion of the engineering design by February, bid letting in March and a goal of construction in mid to late April 2013. This water main upgrade project was not included in the 2012-13 Water Division budget due to funds required for the drilling of a new well and associated water main work. The new well has since been delayed and Superintendent Kathy Cooper recommends proceeding with an upgrade to the existing system at this time. Moved by Councilman Berg and seconded by Councilman Eckhardt, **“I move Agreement 12-4243, An Engineering Agreement with Willett Hofmann and Associates Inc., for Rochelle Municipal Utilities Water Division Second Avenue Watermain Replacement 2012 for \$42,000 be approved.”** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hollonbeck, McDermott, Hayes, and Mayor Olson. Nays: None. Motion passed 6-0.
- 4) **Second Amendment to the Amended and Restated Land Lease Agreement - Sky Team:** On March 21, 2011 the Mayor and Council approved a Land Lease Agreement between the City and Sky Team, Inc for a term of 20 years with two additional 10-year renewal options. The purpose of the lease was to make it possible to operate a skydiving business on seven acres of property at the Rochelle Municipal Airport. The lease was subsequently amended in June of 2011 to facilitate the financing of the Chicagoland Skydiving Center construction. Doug Smith, President of Sky Team, Inc. recently submitted a request for additional amendments to the agreement. Due to demand they have procured a Cessna 206 aircraft which will allow the skydiving business to operate during the winter months as weather permits. In addition, they have identified an opportunity to host third-party events in the Chicagoland Skydiving Center hangar in association with the Flight Deck Bar & Grill restaurant. Sky Team is also requesting that the RVs be allowed to stay in the RV parking spaces year round, both for staff accommodations and storage. Finally, a consent to subleases with Sky Team Aviation for aviation services and Guodraw Entertainment Team for operation of a bar and grill have been incorporated into the amendment and the PROskydiving references have been deleted. Councilman McDermott’s concern was with RVs being used for outside storage. Moved by Councilman Eckhardt and seconded by Councilman Hayes, **“I move Ordinance 12-4244, An Ordinance Approving the Second Amendment to the Amended and Restated Lease Agreement for Sky Team, Inc. be adopted.”** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hollonbeck, Hayes, and Mayor Olson. Nays: Councilman McDermott. Motion passed 5-1.

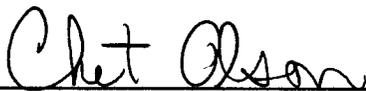
- 5) **Reduction in Letters of Credit – Prologis Park:** Five performance bonds totaling \$1,949,475.27 were submitted to the City of Rochelle on behalf of ProLogis to secure their obligations related to public land improvements for Prologis Park Rochelle – Unit One. Due to the completion of a majority of the required improvements, Prologis has requested a reduction in the associated surety. City Engineer Sam Tesreau has reviewed the request for a reduction in the letters of credit. Given that there are additional items to be completed, a new letter of credit for 10% of the total estimated cost of improvements (\$194,948) plus an additional \$15,500 for the incomplete items is required by the City. If approved, the new irrevocable letter of credit of \$210,448 will be held for a period of not less than 24 months as guarantee of satisfactory completion of the land improvements. A letter outlining the remaining conditions necessary for the release of the letters of credit has been sent to Prologis. Moved by Councilman Eckhardt and seconded by Councilman Hollonbeck, **“I move Letter of Credit 12-4245, A reduction in Letters of Credit with conditions as outlined in Letter to Prologis dated October 16, 2012, be approved.”** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hollonbeck, McDermott, Hayes, and Mayor Olson. Nays: None. Motion passed 6-0.
- 6) **Selection of Health Insurance Plan and Provider:** Removed from Agenda, per City Manager Plyman they are looking for additional information. There will be a special meeting once information is obtained.

DISCUSSION ITEMS: None

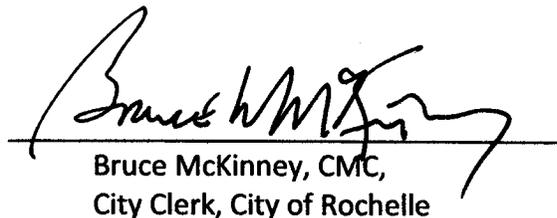
EXECUTIVE SESSION: At 7:18 p.m., moved by Councilman Berg and seconded by Councilman McDermott, **“I move the Council recess into executive session to discuss: Pending litigation. Section (c) (11).”** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hollonbeck, McDermott, Hayes, and Mayor Olson. Nays: None. Motion passed 6-0.

At 7:55 p.m., moved by Councilman Berg and seconded by Councilman McDermott, **“I move the Council return to Open Session.”** Motion passed by voice vote without dissent.

ADJOURNMENT: At 7:55 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