

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
November 26, 2012**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, November 26, 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, Rice, Eckhardt, and Mayor Olson. Absent: None. Quorum was present. Also present were City Manager Plyman and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.:

National Drunk and Drugged Driving Prevention Month – December 2012: Requested by IDOT and read by City Clerk McKinney.

REPORTS AND COMMUNICATIONS:

- Mayor: Hoped everyone had a good Thanksgiving holiday.
- Council Members: None
- City Clerk: Petitions for three council positions filed and there will be a lottery drawing for placement on the ballot Tuesday morning, November 27th at 8:00 a.m.
- Financials – October 2012: Included in Council packets.
- Employee Introduction: **Jeff Sartorius - Assistant Superintendent of Electric Operations:** Jeff had over 30 years with ComEd here in Northern Illinois, having moved up from Meter Reader through numerous positions to a Key Manager position in Construction and Maintenance. His knowledge and skills will be very useful in his position at RMU.

PUBLIC COMMENTARY: None

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – November 13, 2012;
- b) Approve Bills – 11/2/12-11/8/12=**\$141,043.58**, 11/9/12-11/15/12=**\$2,103,133.46**;
- c) Approve Payroll – 10/29/12-11/11/12=**\$218,963.10**;
- d) Accept and Place on File Municipal Compliance Report – Police Pension Fund;
- e) Accept and Place on File Municipal Compliance Report – Fire Pension Fund;
- f) Ordinance Amending the Municipal Code to Delete One Restaurant/Recreation Liquor License.

Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck, **"I move Consent Agenda Items (a) through (f) be approved by Omnibus Vote as recommended."**

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

- 2) **Community Development Assistance Program Grant – Project Golden Prairie (Public Hearing and Action):** The Master Plan for the City of Rochelle water system includes the construction of a new well in the southeast quadrant and the completion of a water main loop from Flagg/Caron Road to the existing terminus on Dement Road. The continued industrial growth in the this region has made the construction of the new well a priority in order to provide sufficient fire flow protection and an adequate reserve supply for customers. In June of this year the Mayor and Council approved an ordinance authorizing a loan agreement between the City and the Illinois Environmental Protection Agency (IEPA) to finance up to \$4,300,000 of the well project. Project Golden Prairie, a large rail served manufacturing plant, is considering the southeast industrial region as a location for their new facility. The proposed facility is anticipated to be in excess of 300,000 square feet and employ approximately 100 people. 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 system upgrades to serve new and/or expanding businesses. The City plans to seek \$750,000 in CDAP grant funds, in connection with the development of Project Golden Prairie, to help fund the construction of the new well and water storage tank on Hayes Road and connector mains required for redundant water supply. Moved by Councilman McDermott and seconded by Councilman Berg, **“I move the Council recess into a Public Hearing for a Community Development Grant.”**

Motion passed by voice vote without dissent. Grant Consultant Ellen Burgeson and Jason Anderson, Ec. Development, were in attendance to provide additional information on the project and answer questions. No one from the public had questions. 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 Councilman Eckhardt, **“I move Resolution R12-21. A Resolution of Support and Commitment of Local Funds, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Berg, Rice, Hollonbeck, McDermott, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.

- 3) **Addition of Territory to the Lee County Enterprise Zone #9 – Project Golden Prairie (Public Hearing):** 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. The Lee County Enterprise Zone plans to submit an application to the State of Illinois early next year to expand the zone by 92.171 acres. This territory expansion includes a portion of the ProLogis Industrial Park, north of Ritchie Road, which is anticipated to house the new Project Golden Prairie manufacturing facility. Moved by Councilman Hollonbeck and seconded by Councilman McDermott, **“I move the Council recess into a Public Hearing for Addition of Territory to the Lee County Enterprise Zone #9.”** Motion passed by voice vote without dissent. Enterprise Zone Administrator John Thompson was in attendance to conduct the Public Hearing, provide additional information and answer questions. No one came forward from the public. Moved by Councilman Berg and seconded by Councilman Eckhardt, **“I move the Council return to Open Session.”** Motion passed by voice vote without dissent. The associated ordinance and resolution will be included on the January 14, 2013 Rochelle City Council agenda for action by the Mayor and Council.

- 4) **Caron Road Lift Station Project:** The Water Reclamation Division Comprehensive Plan, adopted by the Mayor and Council in June of 2012, includes the construction of a new lift station and force main at the intersection of Timber and Caron Roads. The continued growth in the southeast industrial quadrant has put a strain on the existing Wiscold lift station and prompted the need to construct the Caron Road lift station to serve the area south of Highway 88 between I-39 and South Main Street. The City has received Community Development Assistance Program (CDAP) and Economic Development Administration (EDA) grant funds in connection with jobs created by both Nippon Sharyo and Coated Sand Solutions. These grants, totaling \$872,000, are for infrastructure improvements and will be used to construct the Caron Road lift station and force main. Subsequent to the required public notice, the City Clerk opened bids from seven contractors on November 14, 2012. All of the bids included a base bid for the lift station and 3974 feet of six-inch force main, alternate bid number one for 3974 feet of ten-inch force main, and alternate bid number two for a standby generator. Staff and our consultant, Brandy Williams of Fehr Graham, have reviewed the bids and determined that Fischer Excavating is the low bidder for both the base bid and the base bid including the alternates. As a result Superintendent Kathy Cooper and our consultant recommend accepting the base bid from Fischer Excavating in the amount \$715,746.15. In addition, based on the grant funds available, Kathy Cooper recommends proceeding with alternate bid number one to install the 10-inch force main at a cost of \$115,794.20. The installation of both the six-inch and ten-inch mains will provide additional options for handling increased flows in the future. Kathy Cooper was present for further information and to answer questions. Moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, **"I move the Council accept Bid C12-17 for the Caron Road Lift Station from Fischer Excavating in the amount of \$715,746.15 and Alternate Bid #1 in the amount of \$115,794.20 for a total of \$831, 540.35 and reject all other bids."** Roll call vote was taken. Ayes: Councilmembers Berg, Rice, Hollonbeck, McDermott, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.
- 5) **Proposal to Provide Professional Audit Services – Sikich LLP:** In early 2010, Finance Manager Chris Frye sent a request for proposal to several firms for quotes on providing audit services for the City of Rochelle, Rochelle Municipal Utilities, and the Police and Fire Pensions. As a result, five firms' submitted proposals and Sikich LLP was subsequently selected to perform the audits for the past three years. Sikich LLP recently submitted a proposal to provide audit services for the next three years. Contracting with Sikich offers the following benefits: the entire audit is conducted over a two-week period with one team, they offer free webinars and seminars on various accounting/human resources/marketing topics, and we do not incur costs associated with overnight travel due to their location. Finance Manager Chris Frye recommended contracting with Sikich LLP for audit services for the next three years at a proposed cost of \$54,642, \$55,838, and \$57,053 respectively plus TIF compliance and single audits as required. Chris Frye was present to answer questions. Moved by Councilwoman Hollonbeck and seconded by Councilman Berg, **"I move Agreement 12-4263 for Audit services with Sikich LLP for the years ending April 30, 2013, 2014, and 2015 at a proposed cost of \$54,642, \$55,838, and \$57,053 respectively plus TIF compliance and single audits as required, be approved."** Roll call vote was taken. Ayes: Councilmembers Berg, Rice, Hollonbeck, McDermott, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.
- 6) **IMLRMA Min/Max Contribution Agreement:** The City of Rochelle's Risk Insurance Plan Year expires annually on December 31. Since 1997, the City has participated in the Illinois Municipal League Risk

Management Association (IMLRMA) property and liability insurance program which covers the following: worker's compensation, auto liability, general liability, portable mobile equipment, and physical damage to auto and property. Due to the rising cost of insurance, staff also solicited proposals for providing risk insurance from other agencies for the 2013 plan year. Two agencies expressed an interest in submitting proposals and staff provided a set of data to both of them which included: past claims histories, current claims in process, and asset listings for all insured property, vehicles and portable mobile equipment. Staff encouraged both agencies to provide any recommendations that they felt would be beneficial through the markets available to them. Unfortunately, both agencies declined to submit proposals for the upcoming plan year due to the complexity of our operations and recent claims experience. Due to the lack of an alternate proposal, staff evaluated the "Standard Plan" and "Min/Max Program" options provided by IMLRMA. The City has taken advantage of the opportunity to reduce our risk management costs through the Minimum/Maximum program for the past eleven years. This program allows the City to accept some risk of loss in return for a reduction in premium. After a thorough analysis, HR/Risk Manager Lynette Fischer believes it is in the best interest of the City to continue in the Min/Max program since, despite some costly claims in recent years which have resulted in additional payments, we still expect to recognize an overall savings of at least \$90,000 due to the reduced premiums. The net Minimum/Maximum premium of \$499,437 represents an increase of 7.45% over the previous year. The majority of the premium increase is due to an increase in the property premium as a result of reevaluating the property contents, specifically the value of the electronic and communications equipment City-wide. Selecting the minimum payment option subjects the City to additional premiums of approximately \$180,000 if our claims exceed program limits. In addition, IMLRMA is once again offering the early pay discount of 1.5%, which equates to \$7,500, if the entire premium is paid by November 30, 2012. Lynette Fischer was present for further information and to answer questions. It was suggested by council to send to Administrative Committee next year. Moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, **"I move Ordinance 12-4264, An Ordinance Authorizing the Execution of the IMLRMA Minimum/Maximum Contribution Agreement, be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Rice, Hollonbeck, McDermott, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0. Moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, **"I move Agreement 12-4265, An IMLRMA Minimum/Maximum Contribution Agreement be approved."** Roll call vote was taken. Ayes: Councilmembers Berg, Rice, Hollonbeck, McDermott, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.

DISCUSSION ITEMS:

- 1) Midyear Financial Report:** The City of Rochelle's 2012-2013 budget was adopted by the Mayor and City Council on April 23, 2012. The second quarter of the current fiscal year ended on October 31, 2012. Finance Manager Chris Frye provided information on actual revenue and expenditures in relation to the budget, specifically in areas where there are variances, using a Power Point presentation and printed reports given to council.

- 2) Tax Levy 2012-13:** 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 2012-13 will be included as a business item at the

December 10, 2012 City Council Meeting. A Notice of Proposed Property Tax Increase for the City of Rochelle was published in the Rochelle News Leader on November 18, 2012 which included a proposed increase of no more than 8.03%. Finance Manager Chris Frye provided information on the various components and discussed options related to the levy.

Jason Anderson was present and discussed working with the school district and they will settle with that what was decided on 10 months ago. The Board of Review will meet in the near future and Mr. Anderson plans on attending that meeting. It was brought up the problem with there being two townships in the County and two totally different views of the township assessors. According to Mr. Anderson he understood that there is a chance every ten years to consolidate the two townships. This needs to be addressed and hopefully bring about a balance of assessments. As it is now, with the Dement Township assessor raising taxes so high, businesses and schools had to spend a lot of money for attorneys, etc. to appeal their taxes. There are numerous appeals again this year and this needs to be dealt with.

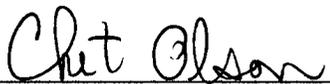
In addition, the Rochelle Police and Fire Pension Fund Presidents discussed their respective recommendations and responded to questions from the Mayor and Council. Zack Prewitt, President of the Fire Pension Board, went over the Firefighter's Tax Levy Report and stated that no matter the assumptions they are over 80% funded. Jason Goodwin, President of the Police Pension, also gave a report with recommendations.

Mayor Olson is not in favor of raising the tax levy. The boards are doing the best they can. Feels the investors can do better. It's a tough issue and we have to figure something out. Two of the council felt that we need to raise taxes.

There is a public hearing December 10th.

EXECUTIVE SESSION: None

ADJOURNMENT: At 8:37 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