

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
December 10, 2012**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, December 10, 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.: None

REPORTS AND COMMUNICATIONS:

- Mayor:
 - There will be no Council meeting on December 26, 2012. If there is a need, a special meeting will be held.
- Council Members:
 - Kathy Hollonbeck: Congratulated City Clerk McKinney for his award of being NIMCA's Clerk of the Year for 2012.
 - Bil Hayes: Thanked everyone for the Christmas Walk weekend. \$2300 was raised for the Homeless Shelter.

PUBLIC COMMENTARY:

- John Kaminski: Spoke to the Council about the Ordinance on tax abating for 2012 bond, Propose fiber and Letter of Credit for Light House Pointe.
- Carolyn Cryer: Thanked the City of the improvements made for crossing Route 38 and Springdale Drive.

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – November 26, 2012
- b) Approve Bills – 11/16/12-11/22/12=\$581,817; 11/23/12-11/29/12=\$186,878
- c) Approve Payroll – 11/12/12-11/25/12=\$223,875
- d) Approve City of Rochelle Meeting Dates for 2013
- e) Approve City of Rochelle Legal Holidays for 2013

Moved by Councilman Berg and seconded by Councilman Eckhardt, "**I move Consent Agenda Items (a) through (e) 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) **Ordinance Adopting 2012 Tax Levy (Public Hearing and Action):** The State of Illinois requires the City annually to adopt and file a Property Tax Levy Ordinance on or before the last Tuesday in December. Last year, the City's Equalized Assessed Valuation (EAV) was \$219,179,369 and its property tax rate was \$0.876630 per \$100 of EAV, which allowed the city to collect \$1,921,345.90 in property taxes. For the coming year, Ogle County has estimated the City's EAV at \$237,401,370. At the November 26th meeting, the City Council discussed options concerning the 2012 Tax Levy. The City's 2012 EAV increased significantly over the 2011 level because Dement Township once again reassessed properties in its jurisdiction. However, Rochelle's commercial and industrial property owners located within Dement Township are once again appealing their higher assessments, so a more reasonable EAV of \$225,000,000 was included in the calculations.

The City's Fire and Police Pension Boards, respectively, are requesting the Council to fully fund their recommendations based on actuarial studies. In particular, the Fire Pension Board is seeking a contribution from property taxes of \$215,565. The Police Pension Board is seeking a contribution of \$235,099.

A property tax levy notice for 2012 was published in the November 20th issue of the Rochelle News Leader which included a maximum increase of 8.03% over the previous year. Even with this increase, the City would need to find alternative sources, through the budget process, to fund the shortfalls in both the Police and Fire Pensions, at least to the minimum required. In addition, the City will not change the property tax rates for general corporate, fire protection, police protection, crossing guard and street lighting from last year since they are already at the maximum rate allowable.

Chris Frye, City Treasurer, was present for further information and to answer questions.

Moved by Councilman Eckhardt and seconded by Councilman McDermott, **"I move the Council recess into a Public Hearing for the 2012 Tax Levy."** Roll call vote was taken.

Ayes: Councilmembers Berg, Rice, Hollonbeck, McDermott, Hayes, Eckhardt, and Mayor Olson.

Nays: None. Motion passed 7-0.

Public Hearing: John Kaminski stated the City must do better in controlling finances.

Moved by Councilman Berg and seconded by Councilwoman Hollonbeck, **"I move the Council return to Open Session."** Motion passed by voice vote without dissent.

Moved by Councilman Berg and seconded by Councilwoman Hollonbeck, **"I move Ordinance 12-4269. An Ordinance abating the taxes heretofore levied for the year 2012 to pay debt service on Taxable General Obligation Bonds (Tax Increment Financing Alternate Revenue Source), Series 2010 (Recovery Zone Economic Development Bonds - Direct Payment) of the City of Rochelle, Ogle County, Illinois, 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) **Ordinance Abating the Taxes Levied for 2012 – Taxable General Obligation Bonds:** On November 22, 2010 the Mayor and Council approved an ordinance providing for the issuance of general obligation bonds in an amount not to exceed \$2,940,000 to finance offsite improvements related to the Lighthouse Pointe Subdivision and Route 38 corridor. The City subsequently issued bonds on December 14, 2010 in the amount of \$2,940,000. The annual debt service related to these bonds is not being paid through property taxes. Instead, the debt service will be paid through TIF revenues, interest refunds from the Internal Revenue Service and other City funds. In order to abate the property taxes, the proposed ordinance must be approved annually and forwarded to Lee and Ogle County.
Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck, **“I move Ordinance 12-4269. An Ordinance abating the taxes heretofore levied for the year 2012 to pay debt service on Taxable General Obligation Bonds (Tax Increment Financing Alternate Revenue Source), Series 2010 (Recovery Zone Economic Development Bonds – Direct Payment) of the City of Rochelle, Ogle County, Illinois, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Berg, Rice, Hollonbeck, McDermott, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.
- 4) **Purchase of Aerial Device (Bucket Truck):** The 2012-13 Electric Fund Capital Budget includes \$160,000 for the purchase of a bucket truck. The new bucket truck will replace an existing 2001, 40-foot bucket device mounted on an International cab and chassis in the Electric Operations Division. Subsequent to the required public notice, the City Clerk opened bids from three equipment suppliers on November 29, 2012. Superintendent Joe Orlikowski reviewed the bids and confirmed that all of the bidders met the minimum specifications. Therefore, he recommended the acceptance of the lowest responsible bidder, Altec, with a bid of \$92,001. The Advanced Communications Division is interested in retaining the 2001 bucket truck for installation and maintenance of the wireless equipment. Joe Orlikowski was present to answer questions. Moved by Councilman Berg and seconded by Councilman Rice, **“I move the Council accept Bid C12-18 for the purchase of an Aerial Device (Bucket Truck) from Altec in the amount of \$92,001 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) **Purchase of Digger Derrick Device:** The 2012-13 Electric Fund Capital Outlay Budget includes \$165,000 for the purchase of a digger derrick device. The new digger device will replace an existing 2000 rotating digger derrick mounted on a 2000 Freight Liner in the Electric Operations Division. Subsequent to the required public notice, the City Clerk opened two bids from suppliers on November 29, 2012. Superintendent Joe Orlikowski reviewed the bids and confirmed that both bidders met the minimum specifications. Therefore, he recommends the acceptance of the lowest responsible bid from Altec in the amount of \$166,002. The Electric Division will either trade in the 2000 unit or auction it in the future. Joe Orlikowski was present to answer questions. Moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, **“I move the Council accept Bid C12-19 for the purchase of a Digger Derrick Device from Altec in the amount of \$166,002 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.

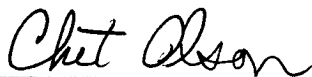
- 6) **Engineering Proposal – Fiber to the Premise Project:** The City of Rochelle has been successful in securing several collocation leases within the Rochelle Technology Center and associated dark fiber leases which provide monthly revenues in excess of \$68,000. As a result, the RMU Advanced Communications Division would like to explore options to reinvest these funds by expanding the fiber network to all business and residential customers within the City limits. An expansion of the fiber network could enable the City to provide high speed, high quality Internet, phone and entertainment services to our residents. City staff requested a proposal from Exp. (formerly Teng & Associates) for engineering services related to the Fiber to the Premise Project due to Teng's involvement with the construction of the Rochelle Technology Center. As a result, Exp has provided a three-phase scope of services which covers the project from basic design and cost estimates to construction administration. The first phase, Conceptual Communication Master Plan, includes defining the project boundaries, defining the design standards, coordinating with proposed electric distribution upgrades, defining the connection alternatives, recommendations on equipment, recommendations on fiber and an estimate of probable costs for a fee of \$35,000, plus reimbursable expense not to exceed \$700. On November 28, 2012 the RMU Utility Advisory Board reviewed the proposal and voted unanimously to recommend approval of the Conceptual Communication Master Plan phase of the proposal with additional phases to be approved in the future as appropriate. Moved by Councilwoman Hollonbeck and seconded by Councilman Eckhardt, **"I move Agreement 12-4270, An Agreement between the City of Rochelle and Exp for the Conceptual Communications Master Plan phase of the Fiber to the Premise Project based on their proposal at a cost of \$35,000, be approved."** Roll call vote was taken. Ayes: Councilmembers Berg, Rice, Hollonbeck, McDermott, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.
- 7) **Local Agency Agreement for Federal Participation – Veterans Parkway:** In 2007 the Mayor and Council approved an official truck route map for the City of Rochelle which included Veterans Parkway. Average Daily Traffic (ADT) on this portion of the truck route has increased considerably over the past few years as the southeast industrial quadrant of the City continues to grow. As a result, Veterans Parkway has been identified by City staff as a roadway requiring a significant amount of rehabilitation. In late 2011 the Engineering Department applied for maintenance assistance for this roadway through the Illinois Department of Transportation (IDOT) Federal Aid for Surface Transportation Urban program. IDOT has since notified the City that the Veterans Parkway project meets the criteria for funding up to 80% of the eligible and awarded costs of the maintenance project. The Veterans Parkway project consists of removal and replacement of asphalt base and surface, installation of new asphalt shoulders, storm sewer upgrades, miscellaneous curb and gutter improvements and pavement markings at an estimated cost of \$452,000. The Federal Highway Administration and IDOT require the City to approve a Local Agency Agreement to ensure that sufficient funds have been set aside to cover the local share of the project cost, approximately \$100,000, and that additional fund will be appropriated if required. Upon approval of this agreement the final plans and contract specifications will be completed with the goal of a June 2013 bid letting. Sam Tesreau was present for further information and to answer questions. Moved by Councilman Eckhardt and seconded by Councilman McDermott, **"I move Agreement 12-4271, A Local Agency Agreement for Federal Participation with the Illinois Department of Transportation for the Veteran Parkway Project, be approved."** Roll call vote was taken. Ayes: Councilmembers Berg, Rice, Hollonbeck, McDermott, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.

- 8) Reduction in Letters of Credit - Light House Pointe Walmart Addition Subdivision:** In November of 2011, due to the completion of a majority of the required improvements, the Mayor and Council approved a reduction in the letters of credit submitted by Spring Creek Development to secure their obligations related to land improvements for Lighthouse Pointe WalMart Addition Subdivision. In October, Engineering Technician Curt Ward verified that the remaining required improvements were satisfactorily addressed except for the streetlights. The developer has indicated that he would like to pay the City for the streetlights and installation at an agreed upon price of \$150,684 and reduce the sureties to the minimum necessary to satisfy the performance guarantee. City Engineer Sam Tesreau has reviewed the request for a further reduction in the letters of credit. If the payment for the streetlights in the amount of \$150,684 is submitted by the developer, then the surety may be reduced to not less than 10%, or \$181,695, of the original surety amount. The streetlight payment must be received by the City prior to January 11, 2013 or the City will need to draw on the current letters of credit to complete the streetlight obligations. The new irrevocable letter of credit of \$181,695 must be submitted prior to expiration of the existing letters of credit on February 2, 2013 and will be held for a period of not less than 24 months as guarantee of satisfactory completion of the land improvements. Sam Tesreau was present to answer questions. Moved by Councilman Berg and seconded by Councilman McDermott, **"I move the Council Approve reduction in Letters of Credit from North Route 38 LLC Development to secure their obligations related to land improvements for Lighthouse Pointe Wal-Mart Addition Subdivision."** Roll call vote was taken. Ayes: Councilmembers Berg, Rice, Hollonbeck, McDermott, Hayes, Eckhardt, and Mayor Olson. Nays: None. Motion passed 7-0.

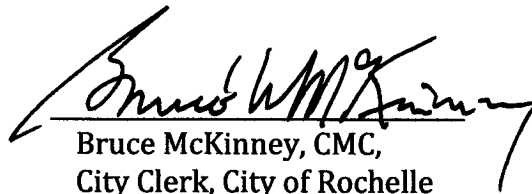
DISCUSSION ITEMS: None

EXECUTIVE SESSION: None

ADJOURNMENT: At 8:12 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

