

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
MONDAY, NOVEMBER 22, 2010**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, November 22, 2010 in the Council Chambers of City Hall; 420 N. 6th Street; Rochelle, IL 61068.

PLEDGE TO THE FLAG:

PRAYER: The Prayer was said by Deputy City Clerk, Judy Schermerhorn.

ROLL CALL: Present on Roll Call were Councilmembers Hayes, T. McDermott, D. McDermott, Berg, Eckhardt, and Mayor Olson. Absent: Councilmember Hollonbeck. Also present were Sue Messer, Assistant to the City Manager and Judy Schermerhorn, Deputy City Clerk.

PROCLAMATIONS, COMMENDATIONS, ETC.:

- **National Drunk and Drugged Driving Preventive Month:** Proclamation read by Judy Schermerhorn.

REPORTS AND COMMUNICATIONS:

- **Mayor:** None
- **Council Members:** None

PUBLIC COMMENTARY: None

BUSINESS ITEMS:

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

- a) Approve Minutes of City Council Meeting – November 8, 2010;
- b) Approve Bills 10/29/10-11/4/10, and 10/29/10-11/1/10; \$145,970.35
- c) Approve Payroll 10/18/10-10/31/10: \$198,302.47
- d) Approve City of Rochelle Meeting Dates for 2011;
- e) Approve City of Rochelle Legal Holidays for 2011;
- f) Accept and Place on File Municipal Compliance Report – Police Pension Fund;
- g) Accept and Place on File Municipal Compliance Report – Fire Pension Fund.

Councilman Hayes asked if the minutes from the last pension board meeting were available to which Lynette Fischer answered that they were not accepted as yet. Moved by Councilman Eckhardt and seconded by Councilman Berg, **“I move Consent Agenda Items (a) through (g) be approved by Omnibus Vote as Recommended.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, Eckhardt, and Mayor Olson. Nays: None. Motion passed 6-0.

- 2) **Ordinance Amending Municipal Code to Prohibit Drug Paraphernalia:** The Rochelle Police Department continues to focus on ways to combat drugs and drug use in our community. The Illinois Drug Paraphernalia Control Act specifically prohibits the sale of several items that can be used in the processing or use of controlled substances. Recently officers discovered items available for sale in local businesses that are not covered under the Act which can easily be converted to facilitate drug use. The Drug Paraphernalia Control Act allows local units of government to impose further restrictions on drug paraphernalia which are not covered under the Act. Police Chief Higby and Attorney Cooper reviewed several drug paraphernalia ordinances from other communities and have proposed an amendment to the City of Rochelle Municipal Code. The changes will provide police officers with additional enforcement options based on the intended use of items. Chief Higby was present to answer questions. It was asked if this could get out of hand, to which both Chief Higby and Attorney Cooper answered that the ordinance states the items are actually advertised for drug use. The ordinance has been reviewed by both Attorney Cooper and Hewitt. Moved by Councilman Berg and seconded by Councilman D. McDermott, **“I move Ordinance 10-3977, An Ordinance Amending Chapter 66 of the Municipal Code of the City of Rochelle to Prohibit the Possession For Sale, Sale, or Delivery of Drug Paraphernalia, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, Eckhardt, and Mayor Olson. Nays: None. Motion passed 6-0.

- 3) **Ordinance authorizing and Providing for the Issuance of Not to Exceed \$2,940,000 in General Obligation Bonds for Public Infrastructure – Lighthouse Pointe TIF District:** On October 12, 2010 the Mayor and Council approved an ordinance authorizing 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. At the October 25, 2010 City Council Meeting a Public Hearing was held concerning the intent to issue the bonds as required prior to approval of the parameters ordinance. The proposed parameters ordinance will grant the City the authority to issue Taxable General Obligation Bonds, (Tax Increment Financing Alternate Revenue Source), Series 2010, designated as Recovery Zone Economic Development Bonds beginning the date the Ordinance is passed. Proceeds from the bond issuance will be used to finance improvements within the TIF District as outlined in the Pre-Development Agreement between the City and North Route 38 LLC. The bonds will be issued in an amount not to exceed \$2,940,000 with principal payable annually on December 1 and interest due semi-annually on June 1 and December 1. The bonds will become due and payable over a period ending no later than December 1, 2030 in an amount not exceeding \$500,000 per year. The annual debt service will be paid through TIF revenues, interest refunds from the Internal Revenue Service and other lawfully available City funds. Chris Frye, City Treasurer and Stephen Roberts of Baird & Associates, the underwriters for the bond were present to answer questions. Ms. Frye mentioned that the City has an A+ rating which lowers the interest rate. Councilman Hayes felt that the City Manager should be there before voting on this item, to which no one else saw a reason for. Moved by Councilman Berg and seconded by Councilman Eckhardt, **“I move Ordinance 10-3978, An Ordinance Authorizing and providing for the issuance of not to exceed \$2,940,000 aggregate principal amount 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, and for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Berg, D. McDermott, Eckhardt, and Mayor Olson. Nays: Councilmembers T. McDermott and Hayes. Motion passed 4-2.
- 4) **Reduction in Letter of Credit – Flag Road Commons Subdivision:** The final plat for Flag Road Commons Subdivision was approved by the Mayor and City Council on March 10, 2008 and subsequently recorded on April 16, 2010. A surety letter of credit No. 128, for \$192,200 was submitted to the City of Rochelle by the developer to secure their obligations related to public improvements connected to the development of the subdivision. The letter of credit was subsequently extended for 60 days with a new expiration date of December 15, 2010. Spencer Hayden, owner/subdivider of Flag Road Commons Subdivision, has requested a reduction in the surety based on the completion of most of the required improvements. City Engineer, Sam Tesreau, has reviewed the request and prepared a letter which outlines the remaining conditions necessary for release of the surety. Given that there are additional items to be completed, a new letter of credit or other surety equal to 10% of the original engineer’s estimate of cost plus \$17,426, for the incomplete items, is required. The amount of the replacement letter of credit or other surety recommended is \$36,626 which will be required prior to the expiration date of the current surety and will be held by the City for a period of 24 months as guarantee of satisfactory completion of the remainder of the improvements. Moved by Councilman Hayes and seconded by Councilman T. McDermott, **“I move Reduction of Letter of Credit 10-3979, A Reduction in Letter of Credit for Flag Road Commons Subdivision, be approved.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Nays: None. Abstain: Councilmember Eckhardt. Motion passed 5-0.
- 5) **Agreement between the City of Rochelle and Willett, Hofmann & Associates for Engineering Services – Kelley Drive Water Main Replacement:** The existing cast iron water main on Kelley Drive has experienced eleven water main breaks in the past four years. A visual inspection of the main, conducted while under repair, indicated that the main is pitted and has begun developing holes. At RMU’s request Willett, Hofmann & Associates has submitted an engineering proposal for the design and construction observation related to the replacement of 1750 feet of water main on Kelley Drive from Seventh Avenue to Caron Road for a total fee of \$50,000. The 2010/11 Water Division Capital Budget includes \$25,000 for the engineering design of 2011/12 projects to facilitate the preparation of plans, bid specifications, and permit submittals. Based on the proposed timeline, the construction phase of the water main replacement would begin in April of 2011. RMU plans to include the construction observation fee of \$21,000 in the 2011/12 Water Division Capital Budget. Kathy Cooper, Superintendent of Water/Water Reclamation, was present to answer questions. She stated that the mains put in from the mid-fifties through the seventies have had significant problems. They are made of cast iron and being replaced with PVC pipes. Moved by Councilman Eckhardt and seconded by Councilman D. McDermott, **“I move Agreement 10-3980, An Agreement between the City of Rochelle and Willett, Hofmann & Associates, Inc. for Design and Construction of the Kelly Drive Watermain Replacement, be approved.”** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, Eckhardt, and Mayor Olson. Nays: None. Motion passed 6-0.

- 6) **Ordinance Consenting to Lease Agreement between Flagg Township Historical Society and Flagg-Rochelle Community Park District – Old City Hall Museum:** The property located at 518 Fourth Avenue was built in 1884 as Rochelle's Town Hall and included the police and fire stations. After outgrowing the building in 1980, the City deeded the property to the Historical Society for use as a museum, reserving specific development rights. Since that time the Flagg Township Historical Society has continued to improve and maintain the building and operate the museum entirely through donations and volunteers. On October 18, 2010 the Flagg Township Historical Society entered into a five year lease agreement with the Flagg-Rochelle Community Park District. This agreement will allow the Flagg Township Historical Society to operate the Old City Hall Museum and provide an annual funding source through the Flagg-Rochelle Community Park District's taxing authority. Due to the development rights retained by the City, the agreement is subject to the City's consent to the lease. Moved by Councilman Hayes and seconded by Councilman Berg, **"I move Ordinance 10-3981, An Ordinance Consenting to Lease between Flagg Township Historical Society and Flagg-Rochelle Community Park District for the Old City Hall Museum, be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, Eckhardt, and Mayor Olson. Nays: None. Motion passed 6-0.

DISCUSSION ITEMS:

- 1) **Midyear Financial Report:** The City of Rochelle's 2010-2011 budget was adopted by the Mayor and City Council on April 12, 2010. The second quarter of the current fiscal year ended on October 31, 2010. 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 are variances. She used Power Point with the information also in printed form for the Council.
- 2) **Tax Levy 2010-11:** 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 2010-11 will be included as a business item on the December 13, 2010 City Council Meeting. Finance Manager, Chris Frye, provided information and various options related to the levy.

Also present were Zack Prewitt, President of the Fire Board and Terry Inman, President of the Police Pension Board, both explaining the need of extra funding (50%) this year along with printed information for the Council. There are three places they get money for the pensions: 1) out of their incomes; 2) from investments; 3) tax payers. As they don't want to increase taxes, they are requesting money from the City out of extra funds, as they did last year. The Council agreed that they don't want to raise taxes; that it's the City's obligation to see that the pension funds don't fall behind. It was also mentioned that the Police Department's and the Fire Department's budgets can't continually be used as this money is badly needed. Chris Frye also agreed it needs to come out of another fund. It's imperative that this is voted on at the December 13th meeting. In the meantime the council will need dollar amounts and figures in order to make a determination to take from a particular fund.

EXECUTIVE SESSION: At 8:14 p.m., moved by Councilman Berg and seconded by Councilman Eckhardt, **"I move the Council recess into executive session to discuss non-union employee."** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, D. McDermott, T. McDermott, Eckhardt, and Mayor Olson. Nays: None. Motion passed 6-0.

At 8:42 p.m. Councilman Eckhardt moved and seconded by Councilman Berg, **"I move the Council return to Open Session."** Motion passed by voice vote without dissent.

ADJOURNMENT: At 8:42pm, Councilman Eckhardt moved and seconded by Councilman Berg, **"I move the Council adjourn."** Motion passed by voice vote without dissent.

Chet Olson, Mayor
City of Rochelle

Judith Schermerhorn
Deputy City Clerk, City of Rochelle