

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
April 28, 2014**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, April 28, 2014 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 McDermott, Rice, Eckhart, Hollenbeck, Berg, and Mayor Olson. Absent: Councilman Hayes. Quorum was present. Also present were City Manager Plyman and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.:

- Municipal Clerks Week – May 4-May 10, 2014: Proclamation read and presented to Bruce McKinney, City Clerk.

REPORTS AND COMMUNICATIONS:

- Mayor:
 - Appointment of Sue Messer to the Police and Fire Pension Boards – New term to expire May 1, 2016. Motion made by Councilman Berg and seconded by Councilman Rice, **“I move the Council approve the Mayor’s appointment of Sue Messer to the Police and Fire Pension Boards for a term to Expire May 1, 2016.”** Motion passed by voice vote without dissent.
- Council Members: None
- Financials – March 2014: In Council packets.

PUBLIC COMMENTARY: None

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – April 14, 2014
- b) Approve Minutes of Committee of the Whole Budget Workshop – March 18, 2014
- c) Approve Minutes of Committee of the Whole Budget Workshop – April 2, 2014
- d) Approve Minutes of Committee of the Whole Budget Workshop – April 15, 2014
- e) Approve Bills – 04/04/14-04/10/14=**\$2,357,361**; 04/11/14-04/17/14=**\$398,149**
- f) Approve Payroll – 03/31/14-04/13/14=**\$202,670**
- g) Accept and Place on File Motor Fuel Tax Funds Audit Report 1/1/12-12/31/12
- h) Authorize VFW Floyd J. Tilton Post 3878 Poppy Drive – May 24, 2014

Moved by Councilman Eckhardt and seconded by Councilman McDermott, **“I move Consent Agenda Items (a) through (h) be approved by Omnibus Vote as recommended.”** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, McDermott, Rice, Berg, and Mayor Olson. Nays: None. Motion passed 6-0.

- 2) Budget Fiscal Year 2014-15 (Public Hearing and Action):** The City Council and department managers attended Committee of the Whole Budget Workshops on March 18, April 2, and April 15 to discuss the proposed budget. The City Clerk published a Public Hearing notice, as required by State law, to consider adoption of the budget at the April 28th City Council Meeting. Final action on the Budget is required on or before April 30, 2014. The final proposed 2014-15 General Fund revenues are budgeted at \$8,892,959. This represents a decrease of approximately 7% compared to the approved 2013-2014 budget. Budgeted expenses total \$8,878,317 which is approximately 8% lower than the 2013-14 budget and results in a budget surplus of \$14,642. The combination of the General Fund with Special Revenue Funds, Enterprise Funds, Internal Service Funds, Trust and Agency Funds and Capital Project Funds results in budgeted revenues totaling \$70,395,496 and budgeted expenses totaling \$73,429,487. The difference between the revenues and expenses will be covered by existing fund balances. As Illinois statutes require, the City conducted a public hearing on the proposed budget to allow citizens the opportunity to provide comments. After the Council returned to regular session, members of the Council had the opportunity to propose modifications to the proposed budget. The final proposed budget was then approved and voted on by Council. Motion made by Councilman Eckhardt and seconded by Councilman Rice, **"I move Council recess into a Public Hearing for the 2014-2015 Budget."** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, McDermott, Rice, Berg, and Mayor Olson. Nays: None. Motion passed 6-0. No one came forward for the public hearing. Councilman Berg moved and seconded by Councilwoman Hollonbeck, **"I move the Council return to Open Session."** Motion passed by Voice Vote without dissent. Mayor Olson thanked City Manager Plyman and staff for their work on the budget. Councilman Eckhardt moved and seconded by Councilwoman Hollonbeck, **"I move Budget 14-4376, Fiscal Year 2014-15 Budget, be approved."** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, McDermott, Rice, Berg, and Mayor Olson. Nays: None. Motion passed 6-0.
- 3) Resolution Establishing Minimum/Maximum Wage Rates for Fiscal Year 2014-15:** The Municipal Code of the City of Rochelle requires that the City Council annually approve a resolution establishing minimum/maximum wage rates for all position classifications within the City. The proposed wage rate resolution is based upon a review completed by the Human Resources Manager. The resolution applies to all employees and is based on job categories as defined by the Equal Employment Opportunity Commission. The rates included in this resolution are consistent with those that were incorporated into the proposed City Budget for Fiscal 2014-15. Councilman Berg moved and seconded by Councilman Rice, **"I move Resolution R14-07, A Resolution Establishing Minimum/Maximum Wage Rates for 2014-2015 Fiscal Year effective May 1, 2014, be adopted."** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, McDermott, Rice, Berg, and Mayor Olson. Nays: None. Motion passed 6-0.
- 4) 2014 Sealcoat Project:** The Engineering Department has identified several streets and alleys in need of roadway maintenance this fiscal year to preserve existing infrastructure. The following roadways were included in the 2014 Seal Coat Project: Sections of North 2nd, 6th, 8th, 11th, 14th, 15th, 16th and South Main Streets; Westview and Intermodal Drives, East 4th and Cherry Avenues; Avenue E; and Standard Oil and Quarry Roads. The application of a seal coat surface treatment has been found to be a cost effective way to maintain and preserve the life of the roadway surfaces and several streets have been treated over the past few years. Subsequent to the required public notice, the City Clerk opened three bids on April 3rd. City Engineer Sam Tesreau reviewed the bids and recommends the acceptance of the apparent low bidder, Steffens 3-D Construction, with a bid of \$128,743. The Street Department crews will provide pavement patching, surface preparation and sweeping in advance of the sealcoat operations. The proposed 2014-15 Capital Improvements Fund budget includes \$167,000 for seal coat resurfacing of miscellaneous streets which will be funded through a transfer of Motor Fuel Tax funds. Engineer Tesreau was present to answer questions. Councilman Berg moved and seconded by Councilwoman Hollonbeck, **"I move Resolution R14-08, A Resolution for Maintenance of Streets and Highways by Municipality Under the Illinois Highway Code (Section No. 14-00000-00-GM, be adopted."** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, McDermott, Rice, Berg, and Mayor Olson. Nays: None. Motion passed 6-0. Councilman Rice then moved and seconded by Councilman McDermott, **"I move the Council accept bid**

C14-05 for the 2014 Seal Coating from Steffens 3-D Construction in the amount of \$128,743 and reject all other bids.

A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, McDermott, Rice, Berg, and Mayor Olson. Nays: None. Motion passed 6-0.

- 5) **Purchase of Right-of-Way at 104 South Washington Street:** The intersection of 1st Avenue and Washington Street is heavily travelled and somewhat hazardous due to the reduced sight lines for motorists. The removal of the overgrown vegetation, chain link fence and other structures at 104 South Washington Street would improve the public safety of the motoring and walking public in that area. Amy and Jeffery Stein have purchased the referenced property and plan to clean it up. As a result of conversations with the City, the Steins are willing to sell approximately 1,647 square feet of right-of-way (ROW) along 1st Avenue and Washington Street to improve the sight distance at the intersection. In addition, this ROW will provide adequate space for future sidewalk and/or improvements. City staff and the Steins have negotiated the terms of the contract including the sellers' removal and disposal of all landscaping, fences and structures on the property by June 15th. The City has agreed to waive all utility disconnect fees, plug the sewer lateral, disconnect the water service at the main and provide a location for disposal of the landscape waste. The Steins are agreeable to the Contract for Purchase and Sale, including a purchase price of \$10,000 for the ROW, contingent on approval by the Mayor and City Council. The ROW purchase will be paid for through the FY 2014/15 Capital Improvement Fund. Engineer Tesreau was present to answer questions. Councilwoman Hollonbeck moved and seconded by Councilman Eckhardt, **"I move Ordinance 14-4377, An Ordinance Authorizing Purchase of Real Property for Public Use at 104 S. Washington Street, be adopted."** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, McDermott, Rice, Berg, and Mayor Olson. Nays: None. Motion passed 6-0.
- 6) **Electric Rate Modifications:** The 2012 electric rate study used to design the rates for Rochelle Municipal Utility (RMU) electric customers created a balancing of the rate structure with revenue requirements. The report recommended an increase in the electric rates of approximately 14%. At that time, City Manager Plyman recommended that the rate increase be phased in to ease the impact on the customers. Therefore, the rate schedules that were subsequently drafted by rate consultant Baker Tilly, now UFS, and approved by the City Council represented an overall rate increase of approximately 7%. In 2012, UFS prepared a full Electric Cost of Service study. The report included a recommendation to increase the electric rates overall by 2% in order to more closely meet the cost of providing services, especially with regards to basic cost versus energy cost as well as provide an efficient demand rate structure for economic use of energy. For FY14/15 UFS has again reviewed RMU's rate structure with a resulting rate modification of 3 % based on the updated financial projections including cost factor changes and the FY14/15 budget since the latest study which was finalized January 2013.
- A typical residential customer with an average electric summer bill of \$110.33 will see an increase of \$5.42 per month in the four summer months and an increase of \$1.00 per month in the eight non-summer months if there are no changes to energy use.
 - In the Time-of-Use rate, a typical residential customer with an average electric bill of \$110.33 will see an opportunity to save up to 5 % by modifying the energy consumption based on hour of usage.
 - Rate 150 has been changed to a direct demand measurement versus the prior layered approach. The rate structure now includes September as a ratchet month since that month is being considered when calculating RMU's capacity charges from the regional grid.
 - Rider #3 has been updated to correct a demand response measure no longer available. In addition a new Rider #6 has been created which formalizes an operational policy on how to handle erratic demand measurements.

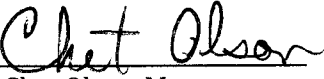
The Utility Advisory Board formally recommended approval of the electric rate structure modifications at its March 27th meeting. Dan Westin was present to answer questions. Councilwoman moved and seconded by Councilman McDermott, **"I move Resolution R14-09, A Resolution Establishing Utility Services Price Schedule for Electric, be adopted."** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, McDermott, Rice, Berg, and Mayor Olson. Nays: None. Motion passed 6-0.


DISCUSSION ITEMS: None

EXECUTIVE SESSION: At 7:54 p.m. Councilwoman Hollonbeck moved and seconded by Councilman McDermott, "**I move the Council recess into executive session to discuss: The (appointment, Employment, compensation, discipline, performance and/or dismissal) of specific employee(s). Section (c) (1) and Discussion of minutes of meetings lawfully closed under this Act for purposes of approval by the body of the minutes. Section (c) (21).**" A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, McDermott, Rice, Berg, and Mayor Olson. Nays: None. Motion passed 6-0.

At 9:05 p.m. Councilwoman Hollonbeck moved and seconded by Councilman Berg, "**I move the Council return to Open Session.**" Motion passed by voice vote without dissent.

ADJOURNMENT: At 9:05 p.m., moved by Councilman Eckhardt and seconded by Councilman McDermott, "**I move the Council adjourn.**" Motion passed by voice vote without dissent.


Chet Olson, Mayor
City of Rochelle


Bruce McKinney, CMG
City Clerk, City of Rochelle