

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
August 25, 2014**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, August 25, 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 Deputy Clerk Judy Schermerhorn.

ROLL CALL: Present on Roll Call were Councilmembers Hayes, Eckhart, Berg, Hollonbeck, McDermott, Rice and Mayor Olson. Absent: None. Quorum of seven present. Also present were City Manager Plyman and Deputy Clerk Schermerhorn.

PROCLAMATIONS, COMMENDATIONS, ETC.: None

REPORTS AND COMMUNICATIONS:

- Mayor: None
- Council Members: None
- Financials – July 2014: Included in Council packets

PUBLIC COMMENTARY: None

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – July 28, 2014
- b) Approve Minutes of City Council Meeting – August 11, 2014
- c) Approve Bills – 080114-080714=\$395,662; 080814-081414=\$761,691
- d) Approve Payroll – 072114-080314=\$215,608; 080414-081714=\$208,724
- e) Authorize Rochelle Township High School Homecoming Parade – September 25, 2014

Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck, **“I move Consent Agenda Items (a) through (e) be approved by Omnibus Vote as recommended.”** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Berg, Hollonbeck, Hayes, Rice, McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

- 2) Addition of Territory to the Lee County Enterprise Zone #9 – Project Red Carbon Green (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 to expand the zone by 45 acres. This territory expansion includes a portion of the Centerpoint Intermodal Center (Rochelle Phase One), north of Route 38 West, which is anticipated to house the new Project Red Carbon Green facility.

At 7:05 p.m. moved by Councilman Berg and Seconded by Councilman Rice, **“I move Council recess into a Public Hearing for the Addition of Territory to the Lee Council Enterprise Zone #9.”** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Berg, Hollonbeck, Hayes, Rice, McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

Lee County Enterprise Zone Administrator, John Thompson, was in attendance to conduct the Public Hearing, provide additional information and answer questions.

- The Public Hearing was advertised in the Dixon Telegraph on August 19, 2014, six days prior to hearing.
- Present: City of Rochelle Council.
- Public Hearing Sheet available to sign by anyone who wished to speak.
- Purpose of hearing was to gain public input on addition of territory to the Lee County Enterprise Zone #9.
- Highlights of an overview were available on a handout if anyone wanted to see.
- Any written comments will be made to
- Maps available.
- Zone expansion is 45 acres, more or less.
- To construct a facility of about 325,000 square feet.
- Create 20 full-time jobs.
- Project Red; Carpet Green; to be used for Tomatoes and Vegetables.

There were no questions or comments by the public. The hearing declared adjourned at 7:08 p.m. Only one hearing is required. Moved by Councilman Berg and seconded by Councilman Rice, **"I move Council return to Open Session."** Motion passed by voice vote without dissent. The associated ordinance and resolution will be included on the September 8, 2014 Rochelle City Council agenda for action by the Mayor and Council.

- 3) **Well #4 Rehabilitation Project:** The existing pump and motor for Well #4 were last overhauled in 2005. At that time the new pump and motor pulled 1100 gallons per minute from the well. Since late last year, the production of Well #4 has been on a steep downward slope. This indicates that the pump and motor need to be overhauled again. Subsequent to the required public notice, the Deputy City Clerk opened four bids for the project on August 14th. Staff and our consultant, Matt Hansen, from Willett Hofmann & Associates have reviewed the bids and recommend the acceptance of the lowest responsible bid from Water Well Solutions Illinois Division in the amount of \$28,500. The RMU Water Capital Outlay Budget for Fiscal Year 14/15 includes \$70,000 for the pump and motor rehabilitation at Well #4. The pump and motor will not be pulled until September or October so that the well is available for the remainder of the summer. Moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, **"I move Council accept Bid C14-15 for the Well #4 Rehabilitation Project from Water Well Solutions Illinois Division in the amount of \$28,500 and reject all other bids."** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Berg, Hollonbeck, Hayes, Rice, McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

- 4) **Consideration and Action on an Ordinance Providing for the Issuance of Not to Exceed \$6,000,000 Electric Revenue System Bonds to Finance Improvements to the City's Electric System:** On April 28th the Mayor and City Council approved the Fiscal Year 2014-15 Budget. This budget includes multiple projects in the Electric Fund Capital Outlay Summary that were anticipated to be funded through the issuance of bonds. On July 14th the Mayor and City Council approved a Reimbursement Resolution that allows costs for projects related to the City's electric system, within 60 days prior to or any time after the passage of the resolution, to be reimbursed to RMU Electric through bond proceeds. The RMU Electric Department has identified the following capital projects for potential funding through an electric revenue bond not to exceed \$6 million dollars:

- Purchase and installation of diesel generators - \$2 million dollars
- Design, engineering, site preparation, improvement and expansion to the Caron Road Substation - \$4 million dollars

A Parameters Ordinance was the next step in issuing the bonds. It stipulates a maximum maturity date of May 1, 2035, maximum bond issue amount of \$6 million dollars, maximum annual interest rate of 7%, issue date of no later than February 1, 2015 and that the bonds will be executed on behalf of the City by the Mayor. After questions and discussion, Councilman Berg moved and seconded by Councilman Rice, **"I move Council Approve an Ordinance providing for the issuance of not to exceed \$6,000,000 Electric Revenue System**

Bonds, Series 2014, of the City of Rochelle, Ogle and Lee Counties, Illinois, and a bond order in connection therewith, and providing for the collection, segregation and distribution of the revenues of the electric system of the City. A roll call vote was taken. Ayes: Councilmembers Eckhardt, Berg, Hollonbeck, Rice, McDermott, and Mayor Olson. Abstain: Councilman Hayes. Nays: None. Motion passed 6-0.

- 5) **Industrial Rail Improvement – Caron Road Crossing Restoration:** On June 30th the Mayor and Council considered bids for two projects to expand the City Industrial Rail (CIR), a one-half mile extension of a mainline track and an additional “yard track” at the UP interchange yard. The City Council subsequently awarded both projects to Swanson Construction Company at a total cost of \$856,057. This amount was \$200,000 under the engineer’s estimates for the projects. Therefore, funds that were budgeted for these two projects are available for further enhancements to the rail system. Over the past 4 years the City has been making temporary repairs to the Caron Road rail crossing that carries Burlington Northern Sante Fe (BNSF) railcars from the mainline into the Ryder/CIR Yard. Due to the increased traffic on the crossing, the crossing has rapidly deteriorated to the point that it needs to be completely removed and replaced with new crossing panels. Swanson Construction has provided an estimate of \$145,000 for the crossing restoration. Since Swanson is already on site and has proven to be an excellent rail contractor, staff recommends that the City Council waive the competitive bidding process by a two-thirds vote of all members holding office and award the Caron Road crossing restoration to Swanson Construction. Upon approval, Swanson Construction will complete the restoration within the current construction season. Jason Anderson was present to answer questions. Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck, **“I move Council waive the competitive bid process for the Caron Road crossing restoration project and accept Proposal C14-16 from Swanson Construction in the amount of \$145,000 for the crossing restoration.”** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Berg, Hollonbeck, Hayes, Rice, McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.
- 6) **Ordinance Ratifying and Authorizing Water tower Leases for Telecommunication Purposes (Sprint Nextel Lease, T-Mobile Lease and Verizon Lease):** The City currently has two leases with telecommunication providers for space on the City’s water tower and ground space below at 700 2nd Avenue. The City entered into leases with Sprint Nextel on June 1, 2000 and T-Mobile on June 11, 2005. Both leases have an initial term of five years and three automatic 5-year renewal terms. In addition, the leases both specify an initial rent payment with annual increases of 4% after the first year. The City currently receives monthly rental payments of \$2,124.31 from the Sprint Nextel Lease and \$2,189.71 from the T-Mobile Lease. The City has negotiated an additional water tower lease with Verizon Wireless for a 5-year term with four automatic 5-year renewal terms and an initial rental payment of \$2,200 monthly. In addition the lease specifies an annual increase of 4% after the first year. The lease requires Verizon Wireless to contract with Dixon Engineering to review the plans and contract with an on-site inspector during the installation. These measures are taken to ensure that the installation of this equipment does not result in any damage to the tower. When the Sprint Nextel and T-Mobile leases were approved an ordinance was not adopted. Therefore, the proposed ordinance will ratify the execution of the two existing leases and authorize the City Manager to execute the proposed Verizon Lease. Moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, **“I move Council approve Ordinance 14-4305, ratifying the execution of the existing leases of Sprint Nextel and T-Mobile and authorize the City Manager to execute the proposed Verizon Lease.”** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Berg, Hollonbeck, Hayes, Rice, McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.
- 7) **Supplementary Resolution for Maintenance of Streets and Highways – Sealcoat Project 2014:** On April 28th the Mayor and Council awarded the 2014 Sealcoat project to Steffens 3-D Construction. In addition, the council approved the associated Resolution for Maintenance of Streets and Highways which appropriated \$136,000 of motor fuel sales tax to fund the improvements. The contract with Steffens allowed the City to add or delete sections up to a certain percentage of the contract quantity. During the project the Engineering Department evaluated certain areas, found them to be relevant to the project, and added those sections to the contract. The project was completed at the beginning of August at a total cost of \$154,000. Therefore, a supplementary resolution of \$18,000 is required to fund the balance through a

transfer from the Motor Fuel Tax funds. Moved by Councilman Hayes and seconded by Councilman Rice, "**I move Council approve Supplementary Resolution R14-14, for Maintenance of Streets and Highways in the amount of \$18,000.**" A roll call vote was taken. Ayes: Councilmembers Eckhardt, Berg, Hollonbeck, Hayes, Rice, McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

- 8) **Ordinance Authorizing Purchase of Real Estate for Public Purpose - 421 and 421 ½ North 6th Street:** Wegener Auctions sold the property located at 420 North 6th Street through a real estate auction on August 7th. City Manager Plyman, on behalf of the City of Rochelle, offered a bid of \$57,500 for the property. The following day the City Manager entered into a contract for purchase at that price, subject to approval by the City Council. This property is located directly north of the Engineering and Building Services facility and will be used in the future for an expansion of City offices or additional parking. Upon approval of the purchase by the Mayor and City Council, a closing will take place prior to September 8th. The 2014-15 Capital Improvements Fund includes \$50,000 for the purchase of property to expand the Engineering Department. Moved by Councilman Hayes and seconded by Councilman Berg, "**I move Council approve Ordinance 14-4306, authorizing purchase of Real Estate for Public Use (421 and 421 ½ North 6th Street) in the amount of \$57,500.**" A roll call vote was taken. Ayes: Councilmembers Eckhardt, Berg, Hollonbeck, Hayes, Rice, McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

DISCUSSION ITEMS: None

EXECUTIVE SESSION: At 7:53 p.m. moved by Councilman Hayes and seconded by Councilwoman Hollonbeck, "**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);**
- **Collective negotiating matters, Section (c) (2).**

Motion passed by voice vote without dissent.

At 9:07 p.m. Councilman Berg moved and seconded by Councilman McDermott, "**I move the Council return to Open Session.**" Motion passed by voice vote without dissent.

ADJOURNMENT: At 9:07 p.m., moved by Councilman Rice moved and seconded by Councilwoman, "**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