

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
March 10, 2014**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, March 10, 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, Hollenbeck, Berg and Hayes. Absent: Councilman Eckhardt and Mayor Olson. Quorum was present. Also present were City Manager Plyman and City Clerk McKinney.

Councilman Berg moved and seconded by Councilman McDermott, **"I move the Council appoint Kathy Hollonbeck as Mayor Pro-tem for tonight's meeting."** A roll call vote was taken. Ayes: Berg, Hayes, McDermott, Rice and Hollonbeck. Nays: None. Motion passed 5-0.

PROCLAMATIONS, COMMENDATIONS, ETC.: None

REPORTS AND COMMUNICATIONS:

- Mayor: Mayor Pro-tem announced the Hub Theater discussion will be on next Agenda.
- Council Members: None

PUBLIC COMMENTARY: John Kaminski spoke on Taxes and the theater renovation.

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – February 24, 2014
- b) Approve Bills – 021414-022114 = **\$762,132**, 022214-022714 = **\$96,946**
- c) Approve Payroll – 020314-021614 = **\$205,919**
- d) Approve Resolution Regarding the Release of Executive Session Minutes
- e) Approve Cinco de Mayo Planning Committee Request – May 3, 2014

Moved by Councilman Berg and seconded by Councilman Rice, **"I move Consent Agenda Items (a) through (e) be approved by Omnibus Vote as recommended."** A roll call vote was taken. Ayes: Councilmembers McDermott, Rice, Berg, Hayes and Mayor Pro-tem Hollonbeck. Nays: None. Motion passed 5-0.

- 2) **2014 Sidewalk Project:** Several years ago the condition of existing sidewalks in the City were inspected and rated by Street Department personnel. The sidewalks were then organized into a maintenance program based on their condition. The 2014 Sidewalk Project includes the replacement of approximately 47,000 square feet of sidewalk and installation of several accessibility ramps on Linder Lane and Drake Avenue as well as sections of Woolf Court, North 10th and North 12th Streets. Subsequent to the required public notice, the City Clerk opened seven bids for the project on February 27, 2014. City Engineer, Sam Tesreau reviewed the bids and recommends the acceptance of the apparent low bidder, Bruns Construction, Inc. with a bid of \$264,169.32. The City of Rochelle will purchase the detectable warning plates for use on the accessibility ramps and the contractor will provide curb replacement around the handicap ramp locations. The 2014-15 Sidewalk Project will be funded through the Capital Improvements Fund. Engineer Tesreau was present to answer questions. Councilman McDermott moved and seconded by Councilman Berg, **"I move Council accept bid C14-02 for the 2014 Sidewalk project from Bruns Construction, Inc. in the amount of \$264,169.33 and reject all other bids."** A roll call vote was taken. Ayes: Councilmembers McDermott, Rice, Berg, Hayes and Mayor Pro-tem Hollonbeck. Nays: None. Motion passed 5-0.
- 3) **2014 Building Improvements Project – Electric Division:** The engineering firm of Willett Hofmann & Associates evaluated the buildings in the Electric Division complex and designed an improvement project to address concerns based on their findings. The resulting project includes the removal of asphalt and metal roofs, installation of new membrane and metal roof systems, repair of damaged masonry and other associated work on buildings 3, 12 and 15 at the 9th Street Facility. The 2013-14 Electric Fund Capital Outlay Budget includes a total of \$114,750 for these building improvements. Subsequent to the required public notice, the City Clerk opened two bids for the 2014 Building Improvements Project on February 25, 2014. Staff and our consultant, Willett Hofmann & Associates, have reviewed the bids and recommend the acceptance of the apparent low bidder, Bruns Construction Inc., with a base bid of \$85,430. In addition, staff recommends proceeding with alternate bids 2, 3 and 4 to maximize the improvements for a total project cost of \$109,180. Joe Orlikowski was present to answer questions. Councilman Berg moved and seconded by Councilman McDermott, **"I move Council accept base bid and Alternate Bids 2, 3, and 4, C14-03 for the Electric Division 2014 Building Improvements Project in the amount of \$109,108 and reject all other bids."** A roll call vote was taken. Ayes: Councilmembers McDermott, Rice, Berg, Hayes and Mayor Pro-tem Hollonbeck. Nays: None. Motion passed 5-0.

- 4) **Simplified Municipal Telecommunications Tax Rate:** The maximum Simplified Municipal Telecommunications tax rate that can be assessed by municipalities with populations less than 500,000, as established by the State of Illinois, is 6%. The City's current tax rate of 5% was approved by the Mayor and Council in September of 2007. Finance Manager Chris Frye provided the following information on the state of the General Fund:
- In FY 13, the General Fund used reserves of \$28,026.
 - At the end of FY 13 the insurance, IMRF, and social security funds all had negative fund balances.
 - In FY 14, transfers were budgeted from Electric, Water, Water Reclamation, Solid Waste, Railroad, Ambulance and the Sales Tax Funds which equated to 31% of the budgeted revenues. There are limited resources in these funds for future transfers and our goal for FY 2015 is to reduce the transfers by at least 5%.
 - Three of the four union contracts which expire on April 30th are paid out of the General Fund.

City Clerk Bruce McKinney compiled telecommunications tax rate information for communities in Ogle County and several larger municipalities in our area. Of the 26 communities included in the comparison, 21 of them are at the maximum tax rate of 13% (including the State's 7%).

In order for a new tax rate to be effective July 1, 2014 the City would need to file the appropriate documentation with the Illinois Department of Revenue no later than March 20th. Based on historical telecommunications tax revenues, a 1% increase is estimated to generate \$75,000 in additional revenue annually. No motion was made.

- 5) **230 kW Solar Plant Grant Application:** Last year Rochelle Municipal Utilities (RMU) applied for a grant through the Illinois Clean Energy Community Foundation (ICECF) to fund a large, 230 kW, solar plant. If successful, the grant will provide up to \$2 per watt or 60% of the system and its installation cost, whichever is less. ICECF recently notified RMU that it has passed the first phase of the two part approval process. The Foundation would like RMU to proceed by submitting an electronic proposal and letter of commitment by March 14th for a grant of up to \$460,000. Business and Financial Analyst Dan Westin has created the following business case for the solar plant:

- Cost to construct a 230 kW system after the \$460,000 grant - \$307,000
- Value of energy produced per year - \$24,578
- Value of energy sold into Pennsylvania market per year - \$16,365
- Demand value PJM capacity charge - \$11,417
- RMU Grid value per year - \$21,390

Based on this analysis, the plant will pay for itself in nine years. This would mean, based on a life expectancy of twenty years, that the plant would produce essentially free energy for eleven years. Dan Westin was present to answer questions. Councilman Berg moved and seconded by Councilman Rice, **"I move Council authorize the City Manager to proceed with the ICECF Solar Plant Grant second phase 14-4364."** A roll call vote was taken. Ayes: Councilmembers McDermott, Rice, Berg, Hayes and Mayor Pro-tem Hollonbeck. Nays: None. Motion passed 5-0.

- 6) **Amendment to Preliminary Engineering Services Agreement – Wiscold Drive:** In 2009, in association with the expansion of Sara Lee Corporation, the City of Rochelle submitted a grant application to the Illinois Department of Transportation (IDOT) for Economic Development Program (EDP) funds to assist with roadway upgrades along Wiscold Drive. The City subsequently received an award letter from IDOT committing EDP funding of up to 50% of the Wiscold Drive improvements and associated expenses in an amount not to exceed \$1,123,860. The Mayor and Council have since approved several agreements to facilitate this project including a Preliminary Engineering Services Agreement (PESA) with Fehr Graham Engineering & Environmental in September of 2012. The original PESA covered the existing alignment along Wiscold Drive from Caron Road to Americold Drive. After several months of discussion, BP has determined that this alignment will require the relocation and lowering of the existing BP pipeline at a cost to the City of nearly \$700,000. Therefore, staff has evaluated the situation and proposed a new alignment through property owned by the City south of the existing Wiscold Drive. Although this alignment will add additional length to the project, it will be far less costly than the improvements required by BP at the intersection of Caron Road and Wiscold Drive. Since this new section of roadway was not part of the original scope of services provided under the PESA, Fehr Graham has provided a scope of services for the redesign of approximately 900 lineal feet at a cost of \$39,500. Per our agreement with IDOT, the contract award for this project must take place prior to December 31, 2014 to meet the requirements for EDP funding. Engineer Tesreau was present to answer questions. Councilman Berg moved and seconded by Councilman McDermott, **“I move Agreement amendment 14-4365, Wiscold Drive Improvements Sec. No. 10-00107-00FP Amendment to Preliminary Engineering Services Agreement with Fehr Graham, be approved.”** A roll call vote was taken. Ayes: Councilmembers McDermott, Rice, Berg, Hayes and Mayor Pro-tem Hollonbeck. Nays: None. Motion passed 5-0.

DISCUSSION ITEMS: None

EXECUTIVE SESSION: At 8:03 p.m. Councilman Berg moved and seconded by Councilman McDermott, **“I move Council recess into executive session to discuss Collective negotiating matters. Section (c) (2) and Discussion of minutes of meetings lawfully closed under this Act for purpose of approval by the body of the minutes. Section (c) (21).”** A roll call vote was taken. Ayes: Councilmembers McDermott, Rice, Berg, Hayes and Mayor Pro-tem Hollonbeck. Nays: None. Motion passed 5-0.

At 8:46 p.m. Councilman Rice moved and seconded by Councilman Berg, **“I move the Council return to Open Session.”** Motion passed by voice vote without dissent.

ADJOURNMENT: At 8:46 p.m., moved by Councilman Berg and seconded by Councilman Rice, **“I move the Council adjourn.”** Motion passed by voice vote without dissent.

Chet Olson, Mayor
City of Rochelle

Bruce McKinney, CMC
City Clerk, City of Rochelle