

**ROCHELLE CITY COUNCIL  
REGULAR COUNCIL MEETING MINUTES  
October 27, 2014**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, October 27, 2014 in the Council Chambers of City Hall; 420 N. 6<sup>th</sup> Street; Rochelle, IL 61068.

**PLEDGE TO THE FLAG & PRAYER:** The Prayer was said by City Clerk Bruce McKinney.

**ROLL CALL:** Present on Roll Call were Councilmembers Hayes, Eckhart, Berg, McDermott, Hollonbeck and Mayor Olson. Absent: Councilman Rice. Quorum of six present. Also present were City Manager David Plyman and City Clerk Bruce McKinney.

**PROCLAMATIONS, COMMENDATIONS, ETC.:**

- **Renewable Energy Urban Initiative Award:** Rochelle Municipal Utility

**REPORTS AND COMMUNICATIONS:**

- Mayor: None
- Council Members: None.
- Financial Statement – September 2014: In Council packets

**PUBLIC COMMENTARY:**

- **Status of YMCA/Recreation Center:** Noah Carmichael and Dan Lunquest updated the council on the project.

**BUSINESS ITEMS:**

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

- a) Approve Minutes of City Council Meeting – September 22, 2014
- b) Accept and Place on File Minutes of Railroad Advisory Board – July 24, 2014
- c) Accept and Place on File Minutes of Airport Advisory Board – August 4, 2014
- d) Accept and Place on File Minutes of Planning and Zoning Commission – September 2, 2014
- e) Accept and Place on File Minutes of Planning and Zoning Commission – September 8, 2014
- f) Approve Bills – 09/12/14-09/18/14=\$2,298,184 ; 09/19/14-09/25/14=\$1,163,458 ; 09/26/14-10/02/14=\$189,610
- g) Approve Payroll – 09/15/14-09/28/14=\$205,533; 09/29/14-10/12/14=\$220,961
- h) Approve Blue Cross Blue Shield 2015 Renewal

Councilman Hayes asked to remove item H for discussion.

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

After discussion of item H, Councilman Eckhart and seconded by Councilman Hayes, **"I move item H be approved."** A roll call vote was taken. Ayes: Councilmembers Eckhart, Hollenbeck, Berg, Hayes, McDermott and Mayor Olson. Motion passed 6-0

- 2) **Amendment to Annexation Agreement – Squires Landing West (Public Hearing and Action):** In May of 2005, the City and Squires Landing, LLC, entered into an annexation agreement providing for the development of Squires Landing West, a residential subdivision to be located west of 20th Street on 151.09 acres of farmland. As a part of the agreement, the developer was to post a \$43,000 cash escrow with the City, to be applied to improvements at the intersection of 20th Street and Flagg Road, if the improvements were made within the 20-year period of the annexation agreement. In February of 2009, the property was sold to AKCK, LLC, subject to the terms of the annexation agreement. Due to the downturn in the economy, the development of the property has not occurred, and it has continued to be used as farmland. Accordingly, it has not contributed to traffic on 20th Street or Flagg Road. In light of these facts, the developer and the City have agreed that the developer's contribution of \$43,000 toward the intersection improvements at 20th Street and Flagg Road should be paid only as the Squires West property is actually developed, on a per-acre basis. The proposed First Amendment to Annexation Agreement is intended to accomplish this change. Moved by Councilman Eckhart and seconded by Councilwoman Hollonbeck, **“I move Council recess into a Public Hearing for Amendment to Annexation Agreement – Squires Landing West.”** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, Berg, Hayes, McDermott, and Mayor Olson. Nays: None. Motion passed 6-0. No one came forward to speak.
- Moved by Councilwoman Hollonbeck and seconded by Councilman Berg, **“I move Council return to Open Session.”** Motion passed by voice vote without dissent.
- Moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, **“I move Council Approve Ordinance 14-4399, Approving First Amendment to Annexation Agreement – Squires West, which provides that the Developer's contribution of \$43,000.00 cash toward the intersection improvements at 20th Street and Flagg Road shall be made as the Property is developed and is no longer used as farmland.”**; A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, Berg, Hayes, McDermott, and Mayor Olson. Nays: None. Motion passed 6-0.
- 3) **Audit Report Fiscal Year 2013/2014:** On November 26, 2012 the Mayor and City Council approved a contract with Sikich, LLP to perform an audit of the City's financial operations for fiscal years ending April 30, 2013, 2014 and 2015. Although this is the second year under the new contract, this is the fifth year that Sikich has completed our annual audit. Sikich planned and performed the audit in order to verify that the financial statements are free of material mis-statements. This included performing procedures to obtain audit evidence supporting the amounts and disclosures reported in the financial statements. The audit also included evaluating the appropriateness of accounting principles applied, significant estimates made by management and evaluating the overall presentation of the financial statements. The auditor's opinion, as noted on page 2 of the Auditor's Report, indicates that the financial statements “present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rochelle, Illinois, as of April 30, 2014, and the respective changes in financial position and, where applicable cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.” Fred Lantz, Partner-in-Charge of Government Services for Sikich, attended the meeting to provide an overview of the City's Financial Statement and to respond to questions from the Mayor and Council members. Moved by Eckhart and seconded by Councilman McDermott, **“I move Council accept and place on file, 14-4400 the Audit Report for FY 2013/2014 as prepared and presented by Sikich, LLP.”** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, Berg, Hayes, McDermott, and Mayor Olson. Nays: None. Motion passed 6-0.

- 4) **Permitted Facility Agreement with BP Products – Wiscold Drive Improvement Project:** 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. The original project plan maintained the existing Wiscold Drive alignment from Caron Road to Americold Drive. After more than a year of discussion, BP has determined that this alignment would require the relocation and lowering of the existing BP pipeline at a cost to the City of nearly \$700,000. As a result, City Engineering staff proposed a new alignment through property owned by the City, south of the existing Wiscold Drive. In March the City Council approved moving forward with the new alignment to match up with the Steam Plant and Caron Road intersection. Design plans were sent to BP several months ago for their review and comment on the new alignment. Recently BP provided a Permitted Facilities Agreement to facilitate the construction of the new Wiscold Drive roadway alignment over the pipeline located east of Steam Plant Road. Per the agreement, the City will be solely responsible for all costs and expenses for constructing, operating, maintaining, removing and/or replacing the permitted facilities or the Wiscold Drive roadway. Following approval of the agreement, the City will proceed with final plan development and a bid letting by the end of November. The contract award for this project must take place prior to December 31, 2014 to meet the EDP funding requirements. Moved by Councilwoman Hollonbeck and seconded by Councilman Berg, **“I move Council Authorize the City Manager to sign 14-4401, the Permitted Facilities Agreement between the City of Rochelle and BP Products of North America related to the Wiscold Drive roadway widening and realignment project.”** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, Berg, Hayes, McDermott, and Mayor Olson. Nays: None. Motion passed 6-0.
- 5) **American Public Power Association Demonstration of Energy Development Grant – Roof Top Unit Optimization Project:** Rochelle Municipal Utilities (RMU) applied for and has been selected to receive a grant of \$50,000 through the American Public Power Association’s (APPA) Demonstration of Energy Efficiency Developments (DEED) program. The DEED program is dedicated to improving the operations and services of public power utilities by supporting and demonstrating its members’ innovative activities through research, funding and education. RMU will utilize the DEED grant to work with commercial companies to improve their air conditioning demand management, particularly on roof top units. It is estimated that over 250 roof top units exist in the RMU service area and this is a large component of the peak demand for commercial companies in Rochelle. Since peak demand has been the biggest factor in increasing cost for the utilities and its customers, taking steps to manage this demand is extremely important. RMU staff recommends that council approve acceptance of the grant. The remainder of the project cost, \$50,000, is included in the approved FY 2014-15 Utility Administration budget for incentives. Moved by Councilman Hayes and seconded by Councilwoman Hollonbeck, **“I move Council approve 14- 4402 , Acceptance of Grant from the APPA DEED program for the Roof Top Unit Optimization Project and Approve the Grant Agreement.”** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, Berg, Hayes, McDermott, and Mayor Olson. Nays: None. Motion passed 6-0.

**DISCUSSION ITEMS:**

- 1) **Financial Update:** The City of Rochelle's 2014-2015 budget was adopted by the Mayor and City Council on April 28, 2014. City Manager Plyman provided information on actual revenue and expenditures in relation to the budget, specifically in areas where there are variances. In addition, Plyman provided information comparing the actual General Fund revenues, expenditures and fund balances for years 2009/10 through 2013/14.

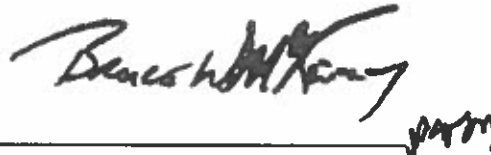
**EXECUTIVE SESSION:** At 9:19p.m. moved by Councilwoman Hollonbeck and seconded by Councilman Hayes, **"I move the Council recess into executive session to discuss: The (appointment, Employment, compensation, discipline, performance and/or dismissal) of specific employee(s)). Section (c) (1).** A roll call vote was taken. Ayes: Councilmembers Eckhardt, Hollonbeck, Berg, Hayes, McDermott, and Mayor Olson. Nays: None. Motion passed 6-0.

At 9:40 p.m. Councilman Berg moved and seconded by Councilman Eckhart, **"I move the Council return to Open Session."** Motion passed by voice vote without dissent.

**ADJOURNMENT:** At 9:40 p.m., moved by Councilman McDermott and seconded by Councilman Eckhardt, **"I move the Council adjourn."** Motion passed by voice vote without dissent.



Chet Olson, Mayor  
City of Rochelle



Bruce McKinney, CMC  
~~Deputy~~ City Clerk, City of Rochelle