

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
JUNE 8, 2015**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, June 8, 2015 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 Hayes, Eckhart, D. McDermott, T. McDermott, Hollonbeck, Burke, and Mayor Olson. Absent: None. Quorum of seven present. Also present were City Manager David Plyman and City Clerk Bruce McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.: None

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 – May 26, 2015
- b) Accept and Place on File Minutes of Rochelle Airport Advisory Board – March 23, 2015
- c) Approve Bills – 051515-052115, 052215-052815
- d) Approve Payroll – 051115-052415
- e) Approve Ordinance Establishing Prevailing Wage Rates
- f) Accept and Place on File Police Pension Board Annual Treasurer's Report
- g) Authorize VFW 4th of July Parade – July 4, 2015

Motion 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 Burke, Eckhardt, Hollonbeck, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

2) **Development agreement -Hub Theater and Graber building.** Mr. Mike McCarty, a native of Rochelle, has approached the City and expressed an interest in developing and investing in our downtown district, specifically the Hub Theater and the Graber Building. The Hub Theater, located at 416 Lincoln Highway, originally opened in 1931. The building occupies a property footprint of 8,100 square feet and has been vacant since early 2011. The Graber Building, located at 413 Fourth Avenue, was built in 1905. The ground floor is currently occupied but floors two and three have been vacant for several years. Mr. McCarty, through his MTI Corporation, intends to redevelop the Hub Theater as a performing arts center and the Graber Building as a retail/office building with substantial completion expected in June of 2017, pursuant to a Development Agreement. The Agreement provides that the anticipated total cost of the redevelopment is \$1.8 million for the Hub Theater and \$2.0 million for the Graber Building, all of which will be borne by MTI Corporation, except for the following:

- **Initial Contribution:** The City will make an initial payment of \$250,000 into escrow, to be used to pay up to 100% of the purchase price and/or architectural and engineering costs for the Hub Theater and/or the Graber Building, but to be refunded to the City if MTI does not close on the properties before July 31st or abandons the project prior to completion.
- **Reimbursement of Eligible Costs:** The City will reimburse MTI up to 20% of TIF-eligible costs for purchase and renovation of the Hub Theater and up to 10% of TIF-eligible costs for purchase and renovation of the Graber building, with a total reimbursement, including initial contribution, not to exceed \$1 million.
- **Tax Increment Finance Redevelopment Project Area** The City will pursue the formation of a Tax Increment Financing District to include the properties that MTI has a contract to purchase and other properties in the downtown and South 7th Street areas, with the tax increments to be used to reimburse the City for its TIF-eligible expenditures, including the initial contribution and percentage contributions described above, as well as other TIF-related expenses paid by the City for TIF consultants.

Fees—The City will make an economic development grant to MTI in the amount of all normal permit fees. Mike McCarty was present to answer questions. Motion made by Councilwoman Hollenbeck and seconded by Councilman Eckhardt, **“I move agreement 15-4457, a development agreement with MTI, Inc. for the development of the Hub Theater and the Graber building, be approved.”** A roll call vote was taken. Ayes: Eckhardt, Hayes, Hollenbeck, Mayor Olson. Nays: Burke, D McDermott, T McDermott. Motion passed 4-3.

3) **Authorizing preliminary action in connection with Hub Theater - Graber building TIF redevelopment project.** At the request of MTI, Inc., City staff members have investigated the possibility of establishing the Downtown and Southern Gateway TIF District, to include the Hub Theater and Graber Building. The specific boundaries of the proposed TIF District have not been determined. The City anticipates entering into a contract with Teska Associates for financial and land-planning consultation in connection with the proposal to establish the TIF District. Teska estimates that, if the TIF process is commenced at this time, the TIF can be established as early as November of this year. The Development Agreement between MTI, Inc. and the City includes reimbursement to the City for the City's initial contribution and percentage contributions to MTI's project costs which are determined to be TIF-eligible, as well as reimbursement for other TIF-related expenses paid by the City, such as the cost of a TIF consultant. The passage of the Inducement Resolution is the first step in the process of establishing the TIF District, and it is necessary in order for TIF-related expenses incurred before the establishment of the TIF District to be eligible for reimbursement from the tax increments within the TIF District.

Motion made by Councilwoman Hollenbeck seconded by Councilman Eckhardt, **“I move resolution R15-09, a resolution authorizing preliminary action in connection with Hub Theater/Graber building TIF redevelopment project, be approved.”** A roll call vote was taken. Ayes: Eckhart, Hayes, Hollenbeck, T. McDermott, and Mayor Olson. Nays: Burke, D. McDermott. Motion passed 5-2.

4) **Well house, well pump, connecting water main and water tower – well 12.** The Master Plan for the City of Rochelle water system includes, as a priority, the construction of a well in the southeast quadrant of the City due to the continued industrial growth in this area. The industrial corridor on the south side of town has increased demand for water from 1.9 million gallons per day in 2004 to 3.0 million gallons per day in 2014. In 2012 the Mayor and Council approved engineering agreements with Willett Hofmann and Associates and Fehr Graham to facilitate the construction of this well. Since that time the City has applied for an Illinois Environmental Protection Agency (IEPA) revolving loan, received approval of the project plan from the IEPA, purchased land for the well site and drilled the well. Subsequent to the required public notice, the City Clerk opened bids for four contracts related to the well on May 27th. Superintendent of Water/Water Reclamation Adam Lanning has reviewed the bids and recommends the acceptance of the lowest responsible bid for each of the contracts as follows for a total of \$3,795,588.79:

Contract 1A (Well Building)

Ceroni Construction Management with a base bid of \$969,000 for construction of the well building including the alternate bid for a site backup generator of \$93,864 for a total of \$1,062,864

Contract 1B (Well Pump)

Midwest Well Services d/b/a Municipal Well and Pump with a bid of \$165,479 to furnish and install the pump and motor

Contact 2 (Connecting Water Main)

Fischer Excavating Inc. with a bid of \$343,345.79 to furnish and install 3500' of 16" main

Contract 3 (Water Tower)

CB&I Constructors Inc. with a bid of \$2,223,900 to furnish and install a 750,000 gallon storage tank
Total project costs for Well 12 including drilling the well, construction, engineering and contingency are expected to be approximately \$4,918,600. Funding of the entire project will be done through the IEPA loan of \$4,548,580.64 and \$370,000 of RMU funds available through the current rate structure. Based on the execution of these contracts the well is expected to be operational by March of 2016 and the tower should be complete the following November.

Adam Lanning was present to answer questions. Motion made by Councilman Eckhardt and seconded by Councilman D. McDermott, "**I move the Council accept the base bid of \$969,000 and the alternate bid of \$93,864 for a total amount of \$1,062,864 from CERONI Construction Management for the well building for well #12 and reject all other bids.**" A roll call vote was taken. Ayes: Councilmembers Burke, Eckhardt, Hollonbeck, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

Motion made by Councilman R. McDermott and seconded by Councilman Hayes, "**I move the Council accept the bid of \$165,479 from Midwest Well Services d/b/a Municipal Well and Pump for the well pump for well #12 and reject all other bids.**" A roll call vote was taken. Ayes: Councilmembers Burke, Eckhardt, Hollonbeck, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

Motion made by Councilman Hayes and seconded by Councilwoman Hollenbeck, "**I move the Council accept the bid of \$343,345.79 from Fisher Escalating Inc. for the connecting water main for well #12 and reject all other bids.**" A roll call vote was taken. Ayes: Councilmembers Burke, Eckhardt, Hollonbeck, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

Motion made by Councilman D. McDermott and seconded by Councilman T. McDermott, "**I move the Council accept the bid \$2,223,900 from CB&I Contractors Inc. for the water tower for well #12 and reject all other bids.**" A roll call vote was taken. Ayes: Councilmembers Burke, Eckhardt, Hollonbeck, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

- 5) **Engineering agreement – water main extension Steward and Hayes Roads.** As stated earlier, the demand for water has increased significantly in the industrial corridor on the south side of Rochelle. In response to this demand, well 12 has already been drilled in the southeast quadrant of the City and contracts for construction of the well building, well pump, connecting water main and water tower were considered in the previous agenda item. **Discussion:** City staff requested a proposal from Fehr Graham for professional services related to the water main extension along Steward and Hayes Roads. The scope of proposed services includes securing signed agreements and other necessary documents, payment and performances bonds, coordination of the preconstruction meeting and construction observation at an estimated cost of \$24,000-\$30,000. Water/Water Reclamation Superintendent Adam Lanning recommends approval of the agreement so this portion of the Well 12 project can move forward. Funding for the project is included in the FY 16 Water/Water Reclamation Capital Outlay Budget. Motion made by Councilwoman Hollenbeck and seconded by Councilman D. McDermott, **“I move agreement 15-4458, an agreement with Fehr Graham and Associates for services related to the extension of water main along Steward and Hayes Road, be approved.”** A roll call vote was taken. Ayes: Councilmembers Burke, Eckhardt, Hollonbeck, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.
- 6) **2015 Sealcoat project.** The Engineering Department has identified several streets in need of roadway maintenance this fiscal year to preserve existing infrastructure. The following roadways are included in the 2015 Seal Coat Project: North 12th Street, East 2nd Avenue, East Creston Road, Willis Avenue and Avenue D west of Main Street. 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 and alleys have been treated over the past few years. Subsequent to the required public notice, the Deputy City Clerk opened three bids on May 12th. City Engineer Sam Tesreau reviewed the bids and recommends the acceptance of the apparent low bidder, Civil Constructors, Inc., with a bid of \$108,372.74. In addition, Street Department crews will provide pavement patching, surface preparation and sweeping in advance of the sealcoat operations. The 2015-16 Capital Improvements Fund budget includes \$160,000 for seal coat resurfacing of miscellaneous streets which will be funded through a transfer of Motor Fuel Tax (MFT) funds. Approval of the Resolution for Maintenance of Streets and Highways will allow the City appropriate MFT funds for this project. Sam Tesoro was sent to answer questions. Motion made by Councilman Eckhardt and seconded by Councilwoman Hollenbeck, **“I move resolution R15-10, a resolution for maintenance of streets and highways, be approved.”** A roll call vote was taken. Ayes: Councilmembers Burke, Eckhardt, Hollonbeck, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

Motion made by Councilman Eckhardt and seconded by Councilman D. McDermott, **“I move the Council accept the bid of \$108,372.74 from Civil Constructors, Inc., for seal coat surface treatment, and reject and all other bids.** A roll call vote was taken. Ayes: Councilmembers Burke, Eckhardt, Hollonbeck, Hayes, D. McDermott, T. Dermott, and Mayor Olson. Nays: None. Motion passed 7-0.

7) **Electric rate modifications.** RMU has retained Universal Financial Solutions (UFS) to perform rate design analysis since 2012. For fiscal year 2015/16, UFS has again reviewed RMU's rate structure with a resulting average rate modification of 2 % in increased revenue recognition based on the updated financial projections including cost factor changes and the fiscal year 2015/16 budget draft. A typical residential customer with an average electric summer bill of \$ 95.77 will see an increase of \$ 2.60 per month in the four summer months and an increase by \$ 2.67 per month in the eight non-summer months with no changes in energy use. In the Time-of-Use rate (Summer Saver) a typical residential customer with an average (new) electric bill of \$ 98.37 will see an opportunity to save up to \$ 24.88 per summer month by modifying the energy consumption based on hours of usage by moving 50 % of usage between 2 pm and 7 pm weekdays to other hours in the week. Web based information will be available to provide information of actual usage hour by hour. The Power Cost Adjustment (PCA) formula has been updated with a new base power cost factor with the target of an average PCA of 1 cent. The PCA formula also includes a cap of the PCA at 2 cents. The UAB formally recommended approval of the modification of the electrical rate structure at its meeting April 8th. In addition, RMU Business and Financial Analyst Dan Westin provided information on the rate modifications to the Mayor and Council at the May 26th council meeting. Motion made by Councilwoman Hollenbeck and seconded by Councilman Hayes, **"I move Resolution R15-11, a Resolution establishing Utility services price schedule and related riders for Electric effective July 1, 2015, be approved."** A roll call vote was taken. Ayes: Councilmembers Burke, Eckhardt, Hollonbeck, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

8) **Agreement with Hansen Engineering and Illinois Department of Transportation – airport layout plan.** As a result of the runway extension and the addition of a partial parallel taxiway in the past couple of years, the City's Airport Layout Plan (ALP) does not accurately reflect our existing airport facilities. The City must keep a Federal Aviation Association approved ALP up-to-date in order to receive grant money for future airport expansion. City staff requested an engineering agreement from Hanson Professional Services to conduct an Airport Master Plan consisting of ALP update and Narrative Report. The scope of services included in the agreement includes preliminary assessment and schematic design, planning and special services at a not to exceed cost of \$104,099. The Illinois Department of Transportation has confirmed that this project is included in the revised FY 2015 Proposed Airport Improvement Program through non-primary Entitlement Funds. This program includes a 90% Federal match and 5% from both the State and the City. Funding for the City's portion of this project is available through the FY 15/16 Airport Fund Capital Budget which includes \$7,500 for the local match.

Motion made by Councilman Eckhardt and seconded by Councilman Hayes, **"I move agreement 15-4459, a standard agreement for consulting services at Illinois airport for architectural/engineering, planning and special services in order to conduct airport master plan consisting of Airport layout plan update and narrative report, be approved."** A roll call vote was taken. Ayes: Councilmembers Burke, Eckhardt, Hollonbeck, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

Motion made by Councilwoman Hollenbeck and seconded by Councilman Eckhardt, **"I move agreement 15-4460, an agreement through the airport improvement program to update the master plan and ALP/property line map update, be approved."** A roll call vote was taken. Ayes: Councilmembers Burke, Eckhardt, Hollonbeck, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Nays: None. Motion passed 7-0.

9) **DISCUSSION ITEMS:** none.

10) **EXCUTIVE SESSION:** none.

At 8 37 will: p.m. Councilman Hayes moved and seconded by Councilman Eckhart, "**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