

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
NOVEMBER 14, 2016**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, November 14, 2016 in the Council Chambers of City Hall; 420 N. 6th Street; Rochelle, IL 61068.

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

ROLL CALL: Present on Roll Call were Councilmembers Burke, Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Absent: none. A quorum of seven was present. Also present were City Manager Plyman and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC: None

REPORTS AND COMMUNICATIONS:

Mayor: Mayor Olson thanked the schools for their participation in Veterans Day.

Mayor Olson read employees names and number of years of service each. City Manager Plyman introduced new city attorney Brent Wagner. Jason Bird introduced new employee Chris Cox.

Council: None.

PUBLIC COMMENTARY

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – October 24, 2016
- b) Approve Minutes of the City Council Committee of the Whole Meeting – October 24, 2016
- c) Accept and Place on File Airport Advisory Board Minutes – August 15, 2016
- d) Accept and Place on File Planning and Zoning Commission Minutes – October 3, 2016
- e) Accept and Place on File Golf Course Advisory Board Minutes – September 26, 2016
- f) Approve Bills – 101416-102016, 102116-102716, 102816-110316
- g) Approve Payroll – 101016-102316,
- h) Accept and Place on File Municipal Compliance Report – Fire Pension Fund
- i) Accept and Place on File Municipal Compliance Report – Police Pension Fund
- j) Approve Downtown Rochelle Association's Request for the Christmas Walk December 2, 2016
- k) Authorize Lighted Christmas Parade – December 2, 2016
- l) Authorize Use of Rochelle Municipal Airport for Rochelle Area Chamber of Commerce Summer Country Jam Concert – August 5, 2017
- m) Resolution of Support to Benefit the Economy & the Citizens of Illinois (80% Highways/20% Transit & Highways Portion at 60% IDOT/40% Local Roads)

Moved by Councilor Eckhart and seconded by Councilor D. McDermott, "**I move Consent Agenda Items (a) through (m) be approved by Omnibus Vote as recommended.**" Roll call vote was taken. Ayes: Burke, Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

- 2) **Ordinance authorizing loan agreement between the city and IEPA – Well 11 radium removal plant.** In April the Illinois Environmental Protection Agency (IEPA) notified Rochelle Municipal Utilities (RMU) that the level of radium sampled at Well 11, near the high school, exceeded the maximum contaminant level. As a result, RMU staff took the well offline. To stay within the state statutes, the City subsequently entered into a compliance commitment agreement with the IEPA and adopted a timeline of events to return the well to compliance. In August the council approved an engineering agreement with Willett Hofmann & Associates for services related to a radium removal plant at Well 11 which included design, construction services, preparation of a water rate report and the preparation of IEPA loan application documents. The IEPA has loan funds available for qualifying water system improvements through the Public Water Supply Loan Program, typically at a rate of 1.5-2%. In order to fund the radium removal plant, a project plan was submitted to the IEPA and approved. The proposed ordinance authorizes the City Manager to proceed with an application to borrow up to \$4,500,000 from the Water Supply Loan Program to finance the majority of the project plan. Section 5 of the proposed ordinance states that "repayment of the loan...pursuant to this Ordinance is to be solely from the revenue derived from the revenues of the System" and therefore does not constitute a general obligation of the City. Construction on the radium removal plant is expected to begin in the Spring of 2017 with completion in February of 2018. Adam Lanning was present to answer questions. Moved by Councilor Hayes and seconded by Councilor Hollenbeck, **"I move ordinance 16-4629, an Ordinance Authorizing Loan Agreement between the City of Rochelle and the Illinois Environmental Protection Agency, be approved."** Roll call vote was taken. Ayes: Burke, Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.
- 3) **Resolution establishing city of Rochelle water and water reclamation rates effective 2017.** The current water and water reclamation rates were established in 2014 following a rate analysis by Willett Hofmann & Associates. Due to the recent requirement to construct a radium removal plant and the need to invest in replacing underground utility lines on an accelerated schedule, Rochelle Municipal Utilities once again hired the firm to perform a rate analysis of the two divisions. The analysis included evaluating the current revenues and expenses, developing a budget based on future needs and developing a debt service schedule for the construction of a radium reduction water treatment plant. The rate modifications recommended as a result of the analysis will provide the divisions with the revenue necessary to be self-sufficient. On October 19th, Matt Hansen of Willett Hofmann presented the findings of the study to the Utility Advisory Board and again on October 24th to the Council. The findings for both divisions result in a proposed residential rate increase of 10.7% and would result in an average increase of \$7.14 per month on a typical residential user. The average combined water and sewer bill in this area is \$70.55 per month and the proposed increase would put RMU at \$81.62 per month. Water/Water Reclamation Superintendent Adam Lanning recommends that council approve a resolution authorizing a water reclamation rate increase effective January 1, 2017 and a resolution authorizing a water rate increase effective July 1, 2017. Adam Lanning was present to answer questions. Moved by Councilor Hollenbeck and seconded by Councilor Burke, **"I move resolution R16-18, a resolution establishing water reclamation rates effective January 1, 2017, be approved."** Roll call vote was taken. Ayes: Burke, Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0. Moved by Councilor Hollenbeck and seconded by Councilor Burke, **"I move resolution R16-19, a resolution establishing water rates effective July 1, 2017, be approved."** Roll call vote was taken. Ayes: Burke, Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

- 4) **Risk Insurance Renewal.** The City of Rochelle's risk insurance plan year expires annually on December 31st. Since 1997, the City has participated in the Illinois Municipal League Risk Management Association (IMLRMA) property and liability insurance program. This insurance covers worker's compensation, auto liability, general liability, portable equipment and physical damage to auto and property. IMLRMA submitted two renewal options, the Standard renewal option and the Minimum-Maximum Program option. The Min-Max Program includes an incentive for members to control and reduce losses which may result in an overall savings. However, if losses and claim costs are greater than anticipated, penalties and contributions of approximately 36% extra could occur. Staff solicited risk insurance proposals from other agencies in recent years and chose to remain with IMLRMA for 2017. Staff believes that it is in the City's best interest to stay with the IMLRMA Standard Option. If the premium is paid before November 23rd, the City can take advantage of the early pay discount of 1% for a total premium of \$668,988.54. This premium is an increase of 3.36% over the 2016 premium. Moved by Councilor D. McDermott and seconded by Councilor Hayes, **"I move the Council approve the city of Rochelle's participation in the IMLRMA standard option at a cost of \$668,988.54."** Roll call vote was taken. Ayes: Burke, Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

5) **DISCUSSION ITEM:**

The Mayor and City Council are required to adopt a Tax Levy Ordinance annually and file it with the County Clerks on or before the last Tuesday in December. The Ordinance Levying Taxes for the City of Rochelle 2016-17 will be included as a business item on the November 28th City Council Meeting. Finance Director Chris Cardott provided information on the various components and discussed options related to the levy. In addition, Rochelle Police and Fire Pension Fund representatives attended the meeting to discuss their respective recommendations and respond to questions from the Mayor and Council.

EXECUTIVE SESSION: At 8:40 p.m., Councilor Hollenbeck moved and seconded by Councilor D. McDermott, **"I move the Council recess into Executive Session to discuss: Pending or imminent litigation. Section (c) (11)."** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollenbeck, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 7-0.

At 9:15 PM, Counselor D. McDermott moved and seconded by Counselor T. McDermott, **"I move the Council return to open session."** Motion passed by voice vote without dissent.

ADJOURNMENT: At 8:23 PM, moved by Counselor Eckhart and seconded by Counselor Hollenbeck, **"I move the Council adjourn."** Motion passed by voice vote without dissent.



Chet Olson, Mayor



Bruce W. McKinney, CMC
City Clerk, City of Rochelle