

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
DECEMBER 12, 2016**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, December 12, 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 Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott, and Mayor Olson. Absent: Burke. A quorum of six was present. Also present were City Manager Plyman and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC: None

REPORTS AND COMMUNICATIONS:

Mayor: Mayor Olson thanked all staff that are working outside in this winter weather.

Council: None.

PUBLIC COMMENTARY

Tom Byrd talked about landfill issues.

John Kaminski spoke on development funds-budget.

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – November 28, 2016
- b) Accept and Place on File Minutes of Planning and Zoning Commission – November 7, 2016
- c) Accept and Place on File Minutes of Trucking Advisory Committee – November 8, 2016
- d) Approve Bills – 111816-112316, 112416-120116
- e) Approve Payroll – 110716-112016
- f) Authorize St. Paddy’s Day Parade and Irish Hooley – March 11, 2017

Moved by Councilor Hollenbeck and seconded by Councilor Eckhart, **“I move Consent Agenda Items (a) through (f) be approved by Omnibus Vote as recommended.”** Roll call vote was taken. Ayes: Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.

- 2) **Loan Guaranty for Rail Right of Way.** The City recently received a \$3.42M EDA Infrastructure grant to expand the City of Rochelle Railroad. The project is estimated to cost \$7M and the City Council passed a resolution on August 22nd to bond up to \$4.2M to complete the rail expansion. The Economic Development office is currently pursuing matching infrastructure grants through State and Federal agencies. It could take up to 10-12 months to determine the size of the match and the terms under which the funds could be awarded. The rail expansion project will require the purchase of additional rail right of way. It is critical that this right of way be acquired as soon as possible so that the engineering and construction can move forward. Therefore, the Greater Rochelle Economic Development Corporation (GREDCO) along with the City's Economic Development office have negotiated the terms to option and purchase land for the rail right of way. Having GREDCO acquire the rights to purchase the land for the City now will give the City up to a year to determine available matching grants and the terms of the bond necessary to fund any remaining balance. GREDCO is willing to purchase the right of way on behalf of the City, with the stipulation that the City guarantee GREDCO's loan to purchase the right of way and cover the incidental costs associated with the purchase of the land including loan interest, surveying costs, legal expenses and engineering. Jason Anderson was present to answer questions. Moved by Councilor Hollenbeck and seconded by Councilor D. McDermott, **"I move the Council authorize the city manager to sign a loan guaranty (16-4633) with Holcomb State Bank, guaranteeing repayment of loan not to exceed \$697,095 from Holcomb State Bank to the Greater Rochelle Economic Development Corporation, for the purchase of rail right of way for the rail expansion east and south of the current Rochelle Railroad terminus, in a form to be approved by the City Attorney."** Roll call vote was taken. Ayes: Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.
- 3) **Ordinance Approving Development Agreement – 620 South 7th Street.** The City continues to spur development by offering a variety of incentive options including: real estate tax abatements, sales tax rebates and waiving and/or reducing specific City fees. Providing incentives, when appropriate, is important when attracting and maintaining both industrial and commercial/retail facilities in our community. Prescott Properties-Rochelle, LLC owns the property located at 620 South 7th Street. The property currently includes a commercial building, which houses an automobile dealership and repair shop, and a parking lot. The owner and operator, Prescott Brothers Ford, Inc., plan to renovate and remodel the existing building with completion no later than May 1, 2017. Once renovated, the facility will employ a minimum of 19 full-time equivalent employees for a minimum of 5 years. Based on the development of the property as outlined in the agreement and the anticipated economic impact, the following incentives are proposed:
- **Real Estate Tax Abatement** – Abatement of the City's real estate taxes attributed to any new improvements over five years as follows: 90%, 75%, 60%, 45% and 30%. **Sales Tax Rebate** – Rebate of ½ of the 1% portion of the Operator's Retail Occupation Tax attributable to sales and services rendered at the new showroom facility for a period of three years. This rebate will be extended for an additional two years if local contractors provide 50% of the total contracted cost of the development. **Building Permit Fees** – Waiver of building permit fees for new construction and renovations for one year. **Codes** – Un-renovated portions of the facility will remain subject to the codes that were in affect at the time of construction, providing it was in compliance at that time.
- Tom Prescott was present to answer questions. Moved by Councilor D. McDermott seconded by Councilor T. McDermott, **"I move ordinance 16-4634, an ordinance approving development agreement for 620 S. 7th St., be approved."** Roll call vote was taken. Ayes: Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.

4) **Ordinance Approving Special Use Permit for Shelter Care – 803 West Lincoln Avenue.** Rochelle Rescue Mission has petitioned the City for a Special Use Permit to allow shelter care at 803 W Lincoln Avenue in order to operate a homeless shelter in the R-3 Zoning District. The petitioner feels that a shelter for the homeless is needed in this community and the location would be compatible with the food pantry located to the south of the property. The property is currently vacant but has been used in the past for office space, housing businesses such as Manpower, Partners for employment and H&R Block. This property is surrounded by a mixed use of commercial business, residential housing, manufacturing, and an elementary school. According to Section 110-291 of the District Use Classification list under shelter care, the use of shelter care requires a conditional use. The Planning and Zoning Commission held a public hearing to review the petition at its meeting on December 5th. Following some discussion, the Planning and Zoning Commission returned to open session with the following findings:

- The proposed use is allowed with a conditional use permit.
- The proposed use is not detrimental or dangerous to public health.
- The proposed use will not impair property value in the neighborhood because a shelter care facility would not prohibit future development in the area.
- The proposed use will not impede the normal development of the surrounding properties because a shelter care facility would not prohibit future development in the area.
- The use will not impair light and air to adjacent property, congest public streets, increase the risk of fire, substantially diminish property values in the neighborhood, or endanger the public health.

Based on these findings, the Planning and Zoning Commission, by a vote of 4-1, recommended that the City Council approve the issuance of a special use permit for shelter care at 803 W Lincoln Avenue with the following conditions:

- A mission statement and by-laws will be provided to City Council for review and a presentation of the plan be provided to the public.
- The applicant submits plans that ensure the proper supervision will be in place at the homeless shelter and that such a plan is consistent with what is reasonable and customary for an emergency homeless shelter of a similar size.
- The applicant ensures that egress requirements are met, including emergency battery backup lighting and battery backup exit lighting.
- The applicant ensures that the space meets accessibility requirements by providing bathrooms that meet the Illinois State Plumbing Code and the Americans with Disabilities Act, loading and unloading requirements, and stalls provided for wheel chairs.
- The applicant ensures electrical service and any other requirements set forth in NFPA 70 are met in regards to any kitchen, bathroom, sleeping areas, lighting, and outlets.
- The applicant ensures that mechanical requirements for kitchens, bathrooms, sleeping areas, heating, cooling, and ventilation are met.
- The applicant submits the necessary building plans for review, obtain a building permit, business license, and obtain a certificate of occupancy before occupying the property.
- The applicant must comply with applicable federal and state laws.

Michelle Glen and Dick Gensler were present to present and answer questions. Also present to speak in favor were Scott Swartz, Shirley Reif, David Tess, and Bob Hamilton. Moved by Councilor Eckhart and seconded by Councilor Hayes, **"I move special use permit 16-4635, a special use permit for shelter care at 803 West Lincoln Ave., be approved."** Roll call vote was taken. Ayes: Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.

5) **Blue Cross Blue Shield 2017 Health Insurance Renewal.** Insurance agent Ray Rice of Williams-Manny has notified the City that Blue Cross/Blue Shield will renew the current policy beginning January 1, 2017 at an increased cost of 1.4 percent. The City offers full-time employees the option of selecting either a single or family plan. Employees pay 15 percent of the total premium and the City pays the remainder. During 2016, the single plan premium cost \$736.35 per month and family plan premium cost \$1,883.37. After the 1.4 percent increase effective January 1, 2017, the single plan will increase to \$746.84 and the family plan will increase to \$1,915.27. The total estimated cost of the Blue Cross/Blue Shield insurance will be \$2,014,432.56 during 2017. The expense is budgeted within each department across all city funds. The proposed 2017 budget anticipates an increase in health insurance cost. At the request of council, the insurance renewal was carried over from the November 28th meeting pending additional information and options. Human Resources Coordinator Nancy Bingham will provide information regarding options at the meeting and respond to questions from the Mayor and Council. Nancy Bingham and Ray Rice of Williams Manning were present to answer questions. Moved by Councilor Hollenbeck and seconded by Councilor D. McDermott, **"I move agreement 16-4636, a renewal of the Blue Cross/Blue Shield of Illinois health insurance plan for 2017, be approved."** Roll call vote was taken. Ayes: Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.

6) **Ordinance Regulating Travel, Meal and Lodging Expenses Consistent with Public Act 99-0604 .** On July 22nd, Governor Rauner signed the *Local Government Travel Expense Control Act* into law (Public Act 099-0604). This law requires all non-home rule units of local government, including municipalities, school districts, special districts and community college districts, to regulate travel expenses at the board level. Thus, every covered unit of local government must adopt a resolution or ordinance that, at a minimum, contains the following provisions: 1. Allowed reimbursable activities (e.g., conference attendance, travel for business meetings, etc.);

2. The maximum amount that the unit of local government will reimburse for travel, meal and lodging expenses; and
3. A standardized form for documenting travel, meal or lodging expenses, as well as "the nature of the official business" for which reimbursement is sought.

Travel, meal or lodging expenses may not be approved unless the minimum documentation requirements have been met. This law is effective January 1, 2017 and includes a 60 day phase in period ending March 2, 2017. After March 2, 2017, expenses for employees or officers that exceed the maximum allowable expenses must be approved by a roll call vote of the Board at an open meeting, and all expenses of board members or corporate authorities must also be approved in this manner. If a covered unit of local government fails to implement expense regulations by ordinance or resolution within 180 days of the effective date, no expenses can be approved until the unit of local government comes into compliance. To implement the law, each unit of local government will need to define acceptable standards and procedures for reimbursement of expenses, as well as the maximum reimbursement amount for travel, meals, and lodging. The Revised Travel Expense Policy for the City of Rochelle meets the standards of the Public Act 99-0604. Chris Cardott was present to answer questions. Moved by Councilor Eckhart and seconded by Councilor D. McDermott, **"I move ordinance 16-4637, an ordinance regulating travel, meal and lodging expenses consistent with public act 99-0604 effective January 1, 2017, be approved."** Roll call vote was taken. Ayes: Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.

- 7) **Resolution Updating Rider 1 – Power Cost Adjustment for Electric Effective December 12, 2016.** On July 11th the City Council authorized a Cost of Service and Rate Design Study Proposal by Utility Financial Solutions, LLC (UFS) that included an executive summary, rate design for one year and a detailed report for management. Mark Beauchamp, President of UFS, subsequently presented an overview of the Cost of Service and Rate Design Study to the Mayor and City Council at the November 14th council meeting. One of the recommendations presented at that time was to use the previous twelve months of power costs to calculate the monthly power cost adjustment (PCA). The PCA allows for changes in power supply and transmission costs to be recovered from customers without a rate adjustment. Changing to a twelve month rolling average, versus the current three month average, will minimize the impact on customers by smoothing the month to month fluctuations. Moved by Councilor D. McDermott and seconded by Councilor Hayes, **“I move resolution R16-20, a resolution updating Rider 1 - power cost adjustment for electric effective December 12, 2016, be approved.”** Roll call vote was taken. Ayes: Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.
- 8) **Extension of Contract with Big D Electric - 5KV Conversion Project.** In June of 2014 the Mayor and Council approved a bid for the conduit and installation required for Phase I of the 5KV project which converts our 4160KV distribution circuit to a 13.8KV feeder in the northwest section of the community. On February 22nd of this year the City Council approved the hiring of Big D Electric to assist RMU crews on site with the 5KV conversion in an amount not to exceed of \$165,000. The contract was subsequently extended by the City Council on April 11th in an amount not to exceed of \$450,000. Pending budget approval, the 2017 Electric Operations Capital Outlay Budget includes \$600,000 for the 5KV system conversion. Electric Operation Superintendent Jason Bird recommends extending the contract with Big D Electric for time and equipment costs necessary to have contractors continue to assist RMU crews in an amount not to exceed \$300,000. Jason Bird was present to answer questions. Moved by Councilor Hollenbeck and seconded by Councilor Eckhart, **“I move the Council approve extending the contract with Big D Electric, based on the hourly rates schedule provided, to assist RMU crews with the 5KV conversion project in an amount not to exceed \$300,000, without competitive bidding.”** Roll call vote was taken. Ayes: Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.
- 9) **Purchase of Engine Parts for Unit #10 – RMU Electric Generation.** The Public Power Industry has been rebuilding their base load units and upgrading the engine support groups for many years and it has proven over and over old is better, to rebuild existing than replacing with new, if the engineering and parts support is there for the engine product line. The base load units are more dependable once they are rebuilt and all support groups, engine controls, auxiliary system components, etc. have been upgraded. Superintendent of Electric Operations Jason Bird recommends purchasing generator parts for unit #10, specifically cylinder heads and an exhaust manifold, from Wheeler World in the amount of \$181,699.84. This amount includes approximately \$28,000 in labor to assist RMU generation staff with the installation of parts. There is \$200,000 available in the 2016/17 Electric Fund Capital Outlay Budget to cover the cost of the parts and labor. State statute and the Rochelle Municipal Code, Section 2-371, allow the City Council by a 2/3 vote to authorize the City Manager to enter into a contract without competitive bidding. Jason Bird was present to answer questions. Moved by Councilor Hayes and seconded by Councilor D. McDermott, **“I move the Council approve the purchase of generator parts for Unit #10 from Wheeler World in the amount of \$181,699.84, including labor at a cost of approximately \$28,000, without competitive bidding.”** Roll call vote was taken. Ayes: Eckhart, Hollenbeck, Hayes, D. McDermott, T. McDermott and Mayor Olson. Nays: None. Motion passed 6-0.

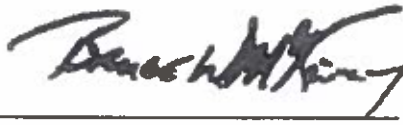
DISCUSSION ITEM: The City Council met as a Committee of the Whole on October 24th and November 7th to discuss the upcoming 2017 budget. During the meetings management staff provided information on expenditure projections for May 1- December 31, 2016 and requests for new hires, capital purchases and projects for 2017. These meetings gave council the opportunity to interact directly with the staff for clarifications and questions. City Manager Plyman and the City Council discussed the budget at the November 28th council meeting. At that time, council requested that further modifications be proposed in order to decrease the transfers to the general fund. City Manager Plyman will provide his recommendations at the meeting and respond to questions from the Mayor and Council.

EXECUTIVE SESSION: None.

ADJOURNMENT: At 9:50 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