

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
AUGUST 22, 2016**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, August 22, 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, Hayes, Hollonbeck, D. McDermott, and T. McDermott. Absent: Mayor Olson. A quorum of six was present. Also present were City Manager Plyman and City Clerk McKinney.

Morin by Councilor Hayes and seconded by Councilor D. McDermott, **"I move the Council appoints Councilor Burke as Mayor Pro-tem for tonight's meeting."** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, and T. McDermott. Nays: None. Motion passed 6-0.

PROCLAMATIONS, COMMENDATIONS, ETC: None

REPORTS AND COMMUNICATIONS:

Mayor: None

Council: Councilor Hollonbeck asked for an update on the Quite Zone.

PUBLIC COMMENTARY: City Clerk McKinney reported that the County Clerk is looking for Election Judges for the November 8, 2016 election.

John Kaminski – Electric Utility Financial Review.

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – July 11, 2016
- b) Approve Bills – 070116-070716, 070816-071416
- c) Approve Payroll – 070416-07172016

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

- 2) **Community Development Block Grant – Sanitary Sewer Lining Project Meadowbrook Subdivision (Public Hearing and Action).** Each year the State of Illinois receives an appropriation of funds from the U.S. Department of Housing and Urban Development's Small Cities Community Development Block Grant (CDBG) program. Those funds are distributed through a grant program administered by the Illinois Department of Commerce and Economic Opportunity (DCEO), the Community Development Block Grant program (CDBG). Among other activities, CDBG funds may be used by local government for acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements. The City of Rochelle plans to submit a CDBG Public Infrastructure grant application to DCEO that will

request \$284,652 in grant funds to be used to line approximately 4,000 lineal feet of sanitary sewer on Springdale Drive, Sunnymeade Drive, Short Court, and Fairview Drive in the Meadowbrook subdivision. This area is low-lying, and its sewers experience increased flows during wet weather events. RMU has televised these sanitary sewer segments and found structural issues with the sewer and deficiencies where the sections of clay sewer are joined, both of which allow ground water to infiltrate the system. When appropriate, RMU monitors the wastewater level in the manholes in this area and bypass pumps the wastewater into the storm sewer system to prevent backups into residential basements. Over the past twenty years, Rochelle has had to bypass pump numerous times in this area. To reduce the amount of water entering the sewer system, the City proposes to install a liner system inside the existing sanitary sewer lines in this area. The cost of lining the sewer included in this request is estimated to be \$354,710 (including engineering costs). Funds will also be requested for grant administration services bringing the total project cost to \$376,710, \$284,652 of which is proposed to come from DCEO's CDBG program and \$92,058 will be provided by RMU's Water Reclamation Capital Outlay account. The CDBG funds will pay construction and grant administration costs, and the City's funding will pay construction, engineering, and some grant administration costs. A door-to-door income survey done in the target area showed that 85% of its residents are low-to-moderate income so 85% of the total project cost, or \$320,203, will benefit low-to-moderate income persons. Of the \$284,652 in CDBG funds to be requested, \$243,320 will benefit low-to-moderate income persons. Moved by Councilor D. McDermott and seconded by Councilor Eckhart, **"I move Council recess into a Public Hearing for the Community Development Block Program Grant – Sanitary Sewer Lining Project Meadowbrook Subdivision."** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, and T. McDermott. Nays: None. Motion passed 6-0. Adam Lanning was present to answer questions. Ellen Burgeson read the following statement:

-The amount of CDBG funds that will be available in fiscal year 2016 in Illinois has been determined to be approximately \$26.5 million which will be used to fund the following types of projects; public infrastructure, housing rehabilitation, emergency public infrastructure, and economic development.

-No persons will be displaced by this project.

-Rochelle's Community Development records can be accessed by the public through the City Clerk's office in Rochelle's City Hall.

Rochelle's Housing and Community Development Needs include the following projects:

- a. Upgrade the domestic water supply serving Rochelle including construction of well #12, an additional water storage tank next to well #12, and connector mains to provide redundant water supply and increased fire flow to Rochelle's southeast industrial area. Construct additional water mains to create loops throughout the existing water distribution system to provide redundancy and increased fire flow.
- b. Upgrade Rochelle's existing electrical system to provide redundant electrical feed to Rochelle's southeast industrial area
- c. Expand Rochelle's municipal fiber network to serve its southeast industrial area

- d. Improve truck access to the west-side industrial area including construction of the Jack Dame Road Overpass, completion of the Southwest Rochelle Truck Loop as a route for heavyweight (120,000 lb.) loads, and upgrading of the existing portions of the Truck Loop to 120,000 lb. standards.
- e. Expand existing and construct additional regional flood mitigation and detention facilities, including the Hemstock detention project and a regional detention area in eastern Rochelle
- f. Expand existing community efforts to increase tourism such as expanding the existing Rochelle Railroad Park.

Items a-c, improvements to the public infrastructure serving Rochelle's developing southeast industrial area, are considered to have the highest priority.

Moved by Councilor Hollonbeck and seconded by Councilor Eckhart, **"I move Council return to Open Session."** Motion passed by voice vote without dissent. Moved by Councilor D. McDermott and seconded by Councilor Eckhart, **"I move Council approve Resolution 16-15, a Resolution of Support and Commitment of Local Funds for a Grant Application associated with the Sanitary Sewer Lining Project in Meadowbrook Subdivision."** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, and T. McDermott. Nays: None. Motion passed 6-0.

- 3) **Engineering Agreement - Radium Removal Plant at Well #11.** On April 13th the Illinois Environmental Protection Agency (IEPA) notified Rochelle Municipal Utilities (RMU) that the level of radium sampled at one of the City's four wells, Well 11 near the high school, exceeded the maximum contaminant level (MCL). As a result, RMU staff took Well 11 offline. According to state statute, RMU is required to respond in writing to the IEPA outlining the actions that will be taken to return the well back to compliance and whether we are willing to enter into a Compliance Commitment Agreement (CCA) with the state. Superintendent Lanning had a series of conversations with IEPA representatives and they agreed to resolve this violation with one of two options. RMU will move forward with the planning and design of a radium removal plant at Well 11 and continue quarterly sampling and testing for radium over the next year. If we are able to lower the running average for radium below the MCL for 4 consecutive quarters then we will be in compliance and have no reason to proceed with the construction of a treatment plant. If the continued sampling does not yield results below the MCL, we will need to construct the treatment plant as outlined in the CCA at an approximate cost of \$3.4 million. On June 27th the City Council approved a CCA with these provisions. At the request of RMU staff, Willett Hofmann & Associates has submitted an engineering agreement for services related to a radium removal plant at Well #11 including the design, construction services, preparation of a water rate report and preparation of IEPA loan application documents. The total cost of these services is estimated to be \$453,000 and will not be exceeded without prior authorization from the City. Superintendent of Water/Water Reclamation Adam Lanning recommends proceeding with the scope of work as outlined. Since this issue was discovered in mid-April, the funding was not included in the 2016-17 budgets. Moved by Councilor D. McDermott and seconded by Councilor Hollonbeck, **"I move Agreement 16-4598, an agreement with Willett Hofmann & Associates for professional services associated with the radium removal plant at Well 11 at an estimated cost of \$453,000, be approved."** Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, and T. McDermott. Nays: None. Motion passed 6-0.

- 4) **Resolution in Support of an Application to the Economic Development Administration Public Works and Economic Adjustment Assistance Program for Project Co-op.** On August 8th the Mayor and City Council approved a Resolution in Support of an Application to the Economic Development Administration (EDA) Public Work and Economic Adjustment Assistance Program for Project Co-Op. This grant will cover up to 40% (and possibly more) of a \$7.0M project known as "Project Co-Op" to extend two tracks east and south of the current City of Rochelle Railroad (CIR) terminus. The EDA has requested, as part of the application for the \$2.8M Public Works and Economic Adjustment Assistance Grant for Project Co-Op, a second resolution which states that the City Council would approve to bond up to \$3.5M of the \$4.2M match for the construction of Project Co-Op. The City's bond counsel will provide a letter to verify that the City of Rochelle is eligible to borrow up to \$3.5M for the purposes of constructing rail to expand the CIR. The passing of this resolution is critical to the grant application's approval. Furthermore, applications for other infrastructure grants are being sought after to further offset the City's match. Jason Anderson was present to answer questions. Moved by Councilor Eckhart and seconded by Councilor D. McDermott, "I move Resolution R16-16, A Resolution in Support of an Application to the Economic Development Administration Public Works and Economic Adjustment Assistance Program for Project Co-op, be approved." Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, and T. McDermott. Nays: None. Motion passed 6-0.
- 5) **Minimum/Maximum Additional Billing for Contract Year 2011– Illinois Municipal League Risk Management Association.** The City of Rochelle has participated in the Illinois Municipal League Risk Management Association (IMLRMA) property and liability insurance program since 1997. This insurance program covers worker's compensation, auto liability, commercial general liability, portable mobile equipment, and the physical damage to auto and property. In addition, the City took advantage of the IMLRMA's "Minimum/Maximum Premium Program" for several years in order to reduce our premium costs by accepting some risk of loss. In December of 2010 the Mayor and Council approved an Ordinance Authorizing the Execution of the Minimum/Maximum Contribution Agreement for the period December 31, 2010 to December 31, 2011. At that time it was noted that "selecting the minimum payment option subjects the City to additional premiums of approximately \$159,794 if our claims exceed program limits." The IMLRMA agreement includes a provision for billing on a yearly basis when paid claim dollars are in excess of the Minimum Loss Fund until such time as the Maximum Loss Fund limit is attained or all claims initiated during the coverage period are closed. Due to some large worker compensation and general liability claims the City has received an additional billing of \$60,167.64. There is one large worker's compensation claim (death) that is still open, with a death benefit to the widow for 25 years. Moved by Councilor Hayes and seconded by Councilor T. McDermott, "I move the 2011 Minimum/Maximum Additional Billing 12-4599, to pay an additional \$60,167.64 for contract year 2011 to the IMLRMA, be approved." Roll call vote was taken. Ayes: Burke, Eckhart, Hayes, Hollonbeck, D. McDermott, and T. McDermott. Nays: None. Motion passed 6-0.

DISCUSSION ITEM:

1) Financial Review of the Rochelle Municipal Utilities Electric Department.

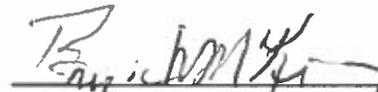
Mr. Mark Beauchamp, President of Utility Financial Solutions was hired to perform a financial review of the Rochelle Municipal Utilities Electric Department. Mr. Beauchamp provided information on the recommended debt coverage ratios, minimum cash reserves and target operating income.

2) Update from Richard Ohlinger to New York for NIMPA.

EXECUTIVE SESSION:

ADJOURNMENT: At 8:35 PM, moved by Counselor D. McDermott and seconded by Counselor T. McDermott, "i move the Council adjourn." Motion passed by voice vote without dissent.

Don Burke, Mayor Pro-tem



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