

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
JULY 24, 2017**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, July 24, 2017 in the Council Chambers of City Hall; 420 N. 6th Street; Rochelle, IL 61068.

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

ROLL CALL: Present on Roll Call was Councilmembers Bearrows, Burke, Hayes, T. McDermott, Shaw-Dickey, and Mayor Olson. Absent: D. McDermott. A quorum of six was present. Also present were Acting City Manager Messer and City Attorney Wagner.

PROCLAMATIONS, COMMENDATIONS, ETC:

REPORTS AND COMMUNICATIONS:

Mayor: Thanked staff for hard work during flood.

Council: None.

Introduction of Rose Hueramo.

PUBLIC COMMENTARY. John Kaminski spoke on financial report.

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

a) Approve Minutes of City Council Meeting – July 10, 2017

b) Approve Bills –

c) Approve Payroll – 06/19/17-07/02/17

d) Approve Wine on Lincoln Committee Request – September 23, 2017

Motion made by Councilor Hayes and seconded by Councilor Bearrows, **“I move Consent Agenda Items (a) through (d) be approved by Omnibus Vote as recommended.”** Roll call vote was taken.

Ayes: Bearrows, Burke, Hayes, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 6-0.

2) **Audit Reports Fiscal Year 2016/2017.** Sikich, LLP planned and performed the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatements. This included performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit also included evaluating the appropriateness of accounting policies used, 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 Comprehensive Annual Financial 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 December 31, 2016, 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.” Anthony Cervini, Partner of Government Services for Sikich, will attend the meeting to provide an overview of the City’s Financial Statement and respond to questions from the Mayor and Council members. Anthony Cervini spoke on audit. Motion made by Councilor Hayes and seconded by Councilor Burke, **“I move the Council accept and place on file the audit reports (17-4700) for the Fiscal Year ending December 31, 2016 as prepared and presented by Sikich, LLP.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 6-0.

- 3) **Ordinance Approving an Agreement to Purchase Real Estate – 413 West 4th Avenue.** The City of Rochelle is the current property owner of the real estate located at 413 W. 4th Avenue, Rochelle, Illinois which is located in the Downtown and Southern Gateway TIF District. Walter Wayne Development, LLC is interested in redeveloping the property and is requesting an option to purchase. This option to purchase will allow Walter Wayne Development, LLC to assess the viability of the redevelopment and perform its due diligence activities. Walter Wayne Development, LLC shall pay the City \$5,000 in earnest money within five days of the approval and execution of the agreement by the City of Rochelle's City Council, unless the agreement has otherwise terminated according to its terms. If the closing occurs according to the terms of the agreement, the entire amount of the earnest money and any interest shall be applied to the purchase price. Respectively, if Walter Wayne Development, LLC elects to terminate the agreement based upon the inspection period and conditions precedent set forth in Section 10 of the agreement, then the earnest money and all interest thereon shall be returned to Walter Wayne Development, LLC. Walter Wayne Development, LLC is solely responsible for all costs incurred in conducting the due diligence activities. The City of Rochelle shall pay for any normal and customary charges related to the sale of like-kind property in Ogle County, Illinois, and Walter Wayne Development, LLC shall pay for any normal and customary purchaser's charges for the purchase of like-kind property in Ogle County, Illinois. Walter Wayne, LLC shall pay the closing fee charged by the Title Insurer to close the transaction, as well as the cost of any title endorsements required by Walter Wayne Development, LLC or Walter Wayne Development, LLC's lender. Closing shall occur on or before December 29, 2017. The purchase price for the property to be paid on the closing date shall be \$67,000. Motion made by Councilor Hayes and seconded by Councilor Bearrows, **"I move Ordinance 17-4701, and ordinance authorizing the city manager to execute an option to purchase real estate with Walter Wayne Development for property located at 413 West 4th Avenue, be approved."** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 6-0.
- 4) **Ordinance Authorizing the Waiver of Various Fees Associated with the Construction of a Single Family Home for Habitat for Humanity – 924 8th Avenue.** Habitat for Humanity is a non for profit organization that provides volunteers for labor and fundraising for materials to provide a single family residence for qualified applicants. They have been constructing homes in Ogle County since 2002 and have plans to demolish a home at 924 8th Ave. and reconstruct a 1280 square foot home. They are asking that City Council waive the building permit fees of 265.00, sewer connection fee of 700.00, electrical connection of 25.00, and the price of a water meter 382.00. Motion made by Councilor Shaw-Dickey and seconded by Councilor T. McDermott, **"I move Ordinance 17-4702, an ordinance waiving various fees associated with the construction of a single family home at 924 8th Avenue by Habitat for Humanity of Ogle County, be approved."** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 6-0.
- 5) **Ordinances Approving Utility Easements – Steward Road Transmission Line.** This is the first group Agreements for the easements for the Steward Road Transmission Line as discussed with the Council previously. There are currently seven easement agreements that have been signed and five more that are anticipated in the next month. It became known that the easements were needed with the Steward Road Reconductoring project. Through negotiation and design, the RMU has been able to reduce the cost of the purchase of the easements. The RMU is also obtaining easements during the process that can assist with the further extension of its transmission lines to serve the needs of future consumers. Motion made by Councilor Bearrows and seconded by Councilor Burke, **"I move Ordinances 17-4703, 17-4704, 17-4705, 17-4706, 17-4707, 17-4708, and 17-4709, all ordinances authorizing the city manager to execute utility easement agreements for the Steward Road Transmission Line, be approved."** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 6-0.

- 6) **Ordinance Rescinding Ordinance No. 17-4699 Authorizing Purchase of Real Estate for Rail Trans Loading Yard.** On July 10th the City Council approved the purchase of 2.21 acres @ \$65K/acre for the purpose of building a City of Rochelle Railroad Transloading yard. During the period of open discussion between Council members and Jason Anderson, the Council expressed concerns over the price of the strip of land and whether this would set precedence for future City land purchases. Although the land owner presented justification for the asking price, the questions raised by the Council caused the staff to re-evaluate the design of the transloading yard and determine if it was possible to build the yard without the proposed 2.21 acre parcel. A renewed effort was put forth to find an alternative design that would prove to be more economical and not set precedence in pricing land that would negatively influence future development opportunities. Our effort to find an alternative to the original design has resulted in a lower cost/acre to build the transloading yard and increased efficiency of the operation. Through lengthening the transload tracks and reducing the north/south dimensions of the proposed transload yard (which the 2.21 acres would have provided), the operation will require less switching movements and increase the number of railcars that can be loaded per day. Furthermore, the additional land required to extend the transloading yard is under an option agreement that GREDCO purchased on behalf of the City last December. This option will allow the City to save more than 50% on the purchase price per acre for the development of the rail transloading yard. Jason Anderson was present to answer questions. Motion made by Councilor T. McDermott and seconded by Councilor Burke, **"I move Ordinance 17-4710, an ordinance rescinding Ordinance 17-4699 which authorized the purchase of 2.21 acres of real estate for a public purpose, be approved."** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 6-0.
- 7) **Amendment to Joint State/Local EDP Agreement -- South Main Street Improvements Phase I.** A state/local joint Economic Development Program (EDP)/TARP Agreement was approved by the City Council and executed by Mayor Olson in June 2013 for the above referenced project. After final review, the Illinois Department of Transportation (IDOT) executed the agreement in August 2013. This project will include pavement rehabilitation, reconstruction, widening, updated traffic control devices and other associated improvements, along South Main Street, from Steam Plant Road to the Steward Road intersection and along Steward for approximately 1700'. The partial EDP funding was made possible by the expansion and job creation/retention for the Graphic Arts Bindery facility located immediately south of Steam Plant Road. Since that time Engineering design plans have been completed by Fehr Graham and Associates and nearing the final approval by the IDOT. While the plans were nearing completion the project cost estimates were updated in late 2016 to better reflect anticipated construction expenses in 2018 as required by IDOT. The original IDOT EDP funding was awarded, as per the current agreement, over five years ago in an amount not to exceed \$1.19M. With the revised cost estimates at \$3.7M for the project the City Engineer's office submitted a request for additional funding. The request was considered based on a number of unexpected items, updated estimated project costs and other IDOT requirements not known at the time of the original application. The request was for a maximum of 50% of eligible project expenses which do not include items such as ROW acquisition expenses, roadway lighting and other utility relocations. While uncommon for EDP funding to be increased from the initial application amount the City was successful in its request and received approval for an additional funding amount of \$747,000 in April 2017. As part of the approval conditions a new state/local joint EDP/TARP agreement amendment #1 (enclosure 1) has been amended and reviewed by IDOT Local Roads office and the City Engineer. Lastly, the date for bid letting and contract award has been extended to March 2020 as per the new state/local joint EDP/TARP agreement amendment #1 (enclosure 1). The construction portion of the project is anticipated to begin 2018 and the associated construction and engineering expenses will be programmed into the FY 2018 and 2019 budgets as needed. Sam Tesreau was present to answer questions. Motion made by Councilor Shaw-Dickey and seconded by Councilor Burke, **"I move Agreement 17-4711, an amendment to the state/local Economic Development/TARP agreement for the South Main Street Phase 1 project be approved, and that the mayor be authorized to execute said agreement on behalf of the city."** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 6-0.

8) **EXECUTIVE SESSION:**

Councilor Bearrows moved and seconded by Councilor Shaw-Dickey, "**I Move the Council recess into Executive Session to discuss: the (appointment, employment, compensation, discipline, walnuts and or dismissal) of specific employees. Section (c) (1); purchase or lease of retail property for city. Section (c) (5); and pending or imminent litigation. Section (c) (11).** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 6-0.

At 8:45 p.m., Moved by Councilor Bearrows and seconded by Councilor Shaw-Dickey, "**I move the Council return to open session.**" Motion passed by voice vote without dissent.

ADJOURNMENT: At 8:45 PM, moved by Counselor Hayes and seconded by Counselor Shaw-Dickey, "**I move the Council adjourn.**" Motion passed by voice vote without dissent.



Chet Olson, Mayor



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