

**ROCHELLE CITY COUNCIL  
REGULAR COUNCIL MEETING MINUTES  
OCTOBER 23, 2017**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, October 23, 2017 in the Council Chambers of City Hall; 420 N. 6<sup>th</sup> Street; Rochelle, IL 61068.

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

**ROLL CALL:** Present on Roll Call was Councilmembers Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Absent: None. A quorum of seven was present. Also present were City Manager Fiegenschuh, Attorney Wagner, and City Clerk McKinney.

**PROCLAMATIONS, COMMENDATIONS, ETC:**

**REPORTS AND COMMUNICATIONS:**

Mayor: Mayor Olson thanked all those for the Hay Day testable.

Council: None.

Good News: Officer Ryan Beery and K9 Axel,  
Tim Isley  
Sue Messer.

**PUBLIC COMMENTARY.**

**BUSINESS ITEMS:**

**1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:**

- a) Approve Minutes of City Council Meeting – 10/10/17
- b) Approve Exceptions – 10/04/17-10/16/17
- c) Approve Bills – 10/17/17-10/17/17
- d) Approve Payroll – 09/25/17-10/8/17
- e) Accept and Place on File Budget Summary Month Ending 9/30/17

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

- 2) **Resolution Approving an Administrative Policy for Mitigating Energy Transaction Risks.** The City of Rochelle, through Rochelle Municipal Utilities, owns and operates an electric distribution system in accordance with Illinois law for the purpose of providing and delivering low cost, reliable power to its residents. The City is dedicated to keeping the cost of electricity stable and competitive through a variety of means, including ownership of generation, participation in power projects through its membership in the Northern Illinois Municipal Power Agency and entry into power and energy purchase transactions with wholesale providers. This administrative policy for mitigating energy transaction risks (Policy) details the essential components of a prudent risk management process for its energy procurement activities. The Policy is intended to provide an overarching framework and control structure specifically for the City's participation in deregulated wholesale energy markets. The Policy recognizes that there are certain risks inherent in such transactions. The City is responsible for minimizing those risks in order to meet its mandate of maintaining low and stable electric rates for its retail customers, as well as to maintain its strong financial standing more generally.

Motion made by Councilor Barrows and seconded by Councilor Burke, "**I move Resolution R17-16, a resolution approving an administrative policy for Mitigating Energy Transaction Risks, be approved.**" Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 7-0.

- 3) **Ordinance Authorizing the Acquisition of the Property Commonly known as 122 South 9th Street by Deed in Lieu of Foreclosure.** The current owner of the property at 122 South 9th Street, Cheryl Barnes, has agreed to convey the property to the City through the deed in lieu of foreclosure process. In 2016 an order was entered in Ogle County finding the home at the property to be structurally unsound, dangerous, and beyond reasonable repair and authorizing its demolition. The structure was subsequently demolished at the City's expense and a Municipal Lien was recorded in the amount of \$11,722.94 against the owner for the costs associated with the demolition. In view of the lack of equity in the property and to avoid further time-consuming, expensive and needless litigation, the owner has agreed to accept a settlement in which the City would pay the owner \$500 in exchange for the property being transferred to the City by deed in lieu of foreclosure. If the City chose to foreclose instead of accepting a deed in lieu, the costs of foreclosing would be approximately \$1,500 and the foreclosure process would take a minimum of 10 months. City staff believes it is in the community's best interests to take ownership of the property in order to minimize the blighting influence on the neighborhood and allow the property to be put to a productive use. The transfer of the property, without the necessity of litigation, is of direct benefit to the City, and a one-time lump sum payment of \$500 to the owner is fair and adequate consideration for the City's entry into this transaction. There are currently taxes owed on the property, but back taxes will be extinguished when the property is in public ownership. Motion made by Councilor Barrows and seconded by Councilor Shaw-Dickey, **"I move Ordinance 17-4751, an ordinance authorizing the acquisition of the property commonly known as 122 S. 9<sup>th</sup> Street by Deed in Lieu of Foreclosure, be approved."** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 7-0.
- 4) **Extension of Loan Guaranty for Rail Right of Way.** In 2016 the City of Rochelle applied for and received a \$3.42M EDA grant for the purpose of extending the City of Rochelle Railroad (Project Co-Op). Since this grant was awarded the City has been informed of a matching grant that is available from the IDOT Freight Rail Program in the amount of \$2.58M. The total estimated cost for Project Co-Op is \$7M. The project required additional rail right of way be purchased so that the project could move forward. In December of 2016 the City Council authorized the City Manager to sign a loan guaranty which allowed GREDCO to borrow \$697,095 for one year for the purchase of the rail right of way on behalf of the City. Interest on the loan is covered through the City of Rochelle Railroad revenues. While GREDCO continues to work on future rail right of way acquisitions and the City continues to seek additional funding sources for rail expansions, staff recommends extending the loan through December 31, 2018. Jason Anderson was present to answer questions. Motion made by Councilor Hayes and seconded by Councilor D. McDermott, **"I move the Council approve GREDCO's request to extend the loan guarantee for rail right of way for one year."** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 7-0.

- 5) **Ordinances Approving Utility Easement Agreements – Steward Road Transmission Line.** The City has been working for several months to obtain utility easements for the Steward Road Reconductoring project. Through negotiation and design, we have been able to reduce the size and cost of the easements. Including these two proposed agreements, a total of ten easement agreements have been finalized and two more are anticipated in the next month. Jason Burke was present to answer questions. Motion made by Councilor Shaw-Dickey and seconded by Councilor Burke, **“I move Ordinance 17-4752, an ordinance approving a utility easement agreement with the Linda M. Hermann Trust Number 102, be approved.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 7-0. Motion made by Councilor Shaw-Dickey and seconded by Councilor Bearrows, **“I move Ordinance 17-4153, an ordinance approving a utility easement agreement with the Brossman Marital Trust, be approved.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 7-0.

**Discussion item.** Summary: RMU retained Utility Financial Solutions LLC to conduct an avoided cost determination for the value of solar. The study was conducted using RMU’s system load and class load data. Mark Beauchamp from UFS presented the results of the study and responded to questions from the Mayor and City Council.

**EXECUTIVE SESSION:** at 7:50 PM, Counselor D. McDermott moved and seconded by Counselor Shaw- Dickey, **“I move the Council recess into executive session to discuss purchase or lease of real property for city use. Section(c) (5); and, Pending or imminent litigation. Section (c) (11).”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw Dickey and Mayor Olson. Nays: None. Motion passed 7-0.

At 8:30 PM Counselor Shaw Dickey moved and seconded by Counselor Hayes, **“I move the Council return to open session.”** Motion passed by both without dissent.

**ADJOURNMENT:** At 8:305 PM, moved by Counselor Bearrows 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