

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
NOVEMBER 13, 2017**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, November 13, 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 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, and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC:

REPORTS AND COMMUNICATIONS:

Mayor: None

Council: Councilman Hayes reported on Ogle County Juvenile program.

Good News: Sam Tesreau

PUBLIC COMMENTARY.

Li Arellano spoke on Illinois Bicentennial and that he will be running for State Senator.

Russ Stevens on an illegal taxi service in town.

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – 10/23/17
- b) Accept and Place on File Minutes of Railroad Advisory Board – 01/26/17, 04/27/17, 07/27/17
- c) Accept and Place on File Minutes of Airport Advisory Board – 04/24/17
- d) Approve Exceptions – 10/18/17-11/06/17
- e) Approve Bills – 11/7/17-11/7/17
- f) Approve Payroll – 10/09/22-10/22/17
- g) Resolution in Support of Illinois Bicentennial Celebrations
- 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 Street Closure for the Annual Old Fashioned Christmas Walk - 12/1/17
- k) Authorize Lighted Christmas Parade – 12/1/17
- l) Resolutions Approving Change in Authorized Signature – Central Bank
Motion made by Councilor Barrows and seconded by Councilor Burke, **“I move Consent Agenda Items (a) through (l) 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) **Risk Insurance for the City of Rochelle.** The City of Rochelle's Risk Insurance Plan Year expires annually on December 31. The City has participated in the Illinois Municipal League Risk Management Association (IMLRMA) since 1997. In the efforts to control increasing costs, this year the staff solicited risk insurance proposals from alternative brokers along with IMLRMA annual renewal. The renewal rate from IMLRMA for 2018 was \$660,669 which is a 1.25% decrease from 2017. There were two very competitive quotes from brokers with increases on all lines of coverage. AJ Gallagher presented a quote from Illinois Municipal Insurance Cooperative (IMIC) for \$498,905 for an initial savings of 25% or \$161,764. I would like the council to consider approving the proposal from Gallagher Benefits and joining IMIC. This change would broaden and leverage our risk with controlling the costs and mitigating future increases. IMIC is a cooperative consisting of 18 municipalities in the region; Peru, Mendota, Oglesby, Sandwich, Oswego, Dwight, Coal City, Peotone, Bradley, Manteno, Wilmington, Marseilles, Braidwood, Plano, Channahon, Bourbonnais and Roscoe. The City of Rochelle has obtained approval by the IMIC Executive Board to join in 2018 along with 2 other applicants, Morris and Dixon. The quote with IMIC includes increased lines in coverage with a substantial increase in Cyber Liability and additional coverage of Equipment Breakdown, not currently covered by IMLRMA. Along with the coverage from IMIC, Gallagher provides additional services/products from support, training, and webinars to onsite safety reviews and inspections. Attached are documents giving further details of IMIC and Gallagher. There will be a Gallagher representative on hand to discuss IMIC, the program and answer any questions. If approved, with the initial savings of 25%, there will additional savings on Workers' Comp through Illinois Public Risk Fund (IPRF) at approximately 10% or \$22,939. IPRF also offers yearly grants of approximately \$5000 to use toward safety related supplies or training. The police department uses Lexipol for training at a cost of approximately \$5000 yearly and this would be paid for by IPRF and Gallagher at no additional cost with increased services. The City could also be approved for a 1% discount on premium costs. The overall totals savings would be closer to \$200,000 for the first year. Motion made by Councilor Barrows and seconded by Councilor D. McDermott, "**I move Resolution R17-17, a resolution accepting membership as a member of the Illinois Municipal Insurance Cooperative Intergovernmental Agreement, 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) **2018 Health Insurance Renewal for the City of Rochelle.** The City currently offers health insurance benefits to all full-time employees. Blue Cross/Blue Shield of Illinois is our current carrier. The policy expires December 31, 2017. On September 25th the City Council approved the Resolution Accepting Membership as a Member of the Quad Cities Health Insurance Pool (QCHIP) Sub-Pool which is a member of the Intergovernmental Personnel Benefits Cooperative (IPBC). Blue Cross/Blue Shield of Illinois will still remain the insurance carrier. The IPBC presented a total premium increase from 2017 to 2018 at 0%. The total cost in 2017 was \$2,015,447 and the total cost for 2018 will be \$2,018,745. However, this cost is not all paid by the City. The premiums will continue to be shared with the employee paying 15% of the monthly premium for single coverage and 18% of the monthly premium for family coverage, an increase from 15% in the past. For 2018 the plan design was modified to decrease the total expenditure for health insurance by the City and keep the overall impact on the employees minimal. The plan design will be modified by increasing the deductible and out-of-pocket limits, establishing certain co-pays and using Express Scripts for prescriptions. These changes will decrease the total premium costs. The total premium costs will also include the broker fee which was previously 100% employer cost. With the ever rising health care costs, the unknown of the ACA and while most are seeing double digit increases, this quote of a 0% increase is outstanding. Nancy Bingham was present to present the insurance plan and to answer questions. Motion made by Councilor D. McDermott and seconded by Councilor Shaw-Dickey, "**I move the Council approve the IPBC Blue Cross/Blue Shield Health Insurance Rates for 2018.**" 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) **Ordinance Creating an Early Separation Incentive Program.** In an effort to find cost reductions city wide, staff is presenting an early separation incentive that, if approved, will be available to a classification of employees that meets certain requirements. Below is a synopsis of the plan:

Any employee, who, upon attaining the age of sixty (60) and having accumulated fifteen (15) years of service, shall be eligible for an early separation incentive as offered by the City from time to time. Eligible employees must notify the City of intent to accept the early incentive offer no earlier than the effective date and no later than the termination date as set by the City Counsel. The City Council has determined that it will authorize an early separation incentive program with an enrollment period effective from December 1, 2017 through February 28, 2018. The date of any employee's retirement under this program shall be no earlier than February 1, 2018 and no later than June 30, 2018. In exchange for accepting the City's early separation incentive program, the City shall provide 100% health insurance premium coverage for the employee and currently enrolled family members, as of the date of the passage of the authorizing ordinance by the City Council, at the current level of enrollment for two (2) years from and after the employee's elected date of retirement. Enrolled employees must agree to utilize and exhaust any accrued and unused vacation time such that no employee may receive payment for vacation time at or in excess of six (6) percent of his or her annual salary.

There is the potential for some significant savings to both the general fund and the utility funds. If this measure is approved, the positions left vacant will not be filled (for a minimum of 2 years).

Motion made by Councilor D. McDermott and seconded by Councilor Burke, "**I move Ordinance 17-4758, an ordinance creating an early separation incentive program for certain employees of the City of Rochelle, 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.

- 5) **Ordinance authorizing and providing for the issue of not to exceed \$3,400,000 General Obligation Refunding Debt Certificates (Limited Tax), Series 2017A, for the purpose of refunding certain outstanding obligations of the City.** On June 30, 2008, the City of Rochelle issued \$5,000,000 of General Obligation Limited Tax Debt Certificates with a maturity in 2028 to construct and equip a new building incorporating a crisis management center and certain facilities related to and necessary for the City's technology park. On June 8, 2009, the City of Rochelle issued \$750,000 of General Obligation Bonds with a maturity in 2029 for the improvements of the public capital infrastructure not limited to the construction, installation and equipping of one or more new hangars at the municipal airport and the upgrading and repair of one or more existing hangars and runways. Due to the current interest rate environment, refunding of these two debt issues could generate a savings in interest expense over the term of the debt while maintaining the original maturity date. The attached ordinances give the City Manager the authority to proceed with the refunding. Chris Cardott was present to answer questions. Motion made by Councilor Shaw-Dickey and seconded by Councilor Bearrows, "**I move Ordinance 17-4759, an ordinance authorizing and providing for the issuance of not to exceed \$3,400,000 General Obligation Refunding Debt Certificates (Limited Tax), Series 2017A, to refund certain outstanding obligations of the City, 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.

- 6) **Ordinance authorizing and providing for the issue of not to exceed \$600,000 General Obligation Refunding Bonds, Series 2017B, for the purpose of refunding certain outstanding bonds of the City** Motion made by Councilor Hates and seconded by Councilor Bearrows, **“I move Ordinance 17-4760, an ordinance providing for the issuance of not to exceed \$600,000 General Obligation Refunding Bonds, Series 2017B, for the purpose of refunding certain outstanding bonds and providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said Bonds, 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.
- 7) **Resolution Setting a Fee for Residential Waste Collection.** Northern Illinois Disposal Services provides waste collection which includes garbage, landscape waste, and recycling to the community. In addition, the Rochelle Street Department provides City residents with large brush pickup and seasonal leaf vacuuming. The City charges residential customers a waste collection fee of \$11.36 per month per dwelling unit for these services. Currently the City transfers \$85,500 out of the solid waste fund to help offset the Street Department’s cost of providing brush and leaf collection services to the community. In efforts to reduce transfers from the solid waste fund to the general fund, and to cover the Street Department’s cost of providing landscape waste collection services to the community, I recommend increasing the Street Department’s portion of landscape waste fees from \$1.49 to \$3.13 per month. This increase of \$1.64 per month would eliminate the transfer of \$85,500 from the solid waste fund to the general fund, and would cover the Street Department’s cost of providing landscape waste collection services. In addition, \$25,000 is budgeted in the solid waste fund for contractual services to grind and spread landscape waste. These charges would also be removed from the solid waste fund, and the costs would be covered with the increased landscape waste fee. The proposed increase of \$1.64 will result in a monthly waste collection fee of \$13.00 per month, which is less than surrounding communities, even though the level of service provided to the citizens of Rochelle is greater than that provided to citizens of surrounding communities. Tim Isley was present to answer questions. Motion made by Councilor T. McDermott and seconded by Councilor D. McDermott, **“I move Resolution R17-18, a resolution setting a fee for residential waste collection, 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.

- 8) **Preliminary Engineering Services Agreement for an Intersection Design Study at IL Rte. 251 and Steward Rd.** City staff has been working with a developer located at the NE quadrant of the intersection of IL Rte. 251 and Steward Rd for many months. As part of the project it was agreed that the intersection of IL Rte. 251 and Steward Rd would need to be studied for traffic signals and other geometrics improvements that may be required by the Illinois Department of Transportation as a result of their permit review process. The intersection includes Steward Rd which is under the jurisdiction of the City of Rochelle and therefore appropriate for the City to undertake considering the magnitude of regional impacts to our local roads and this arterial roadway classification. Over multiple discussions and the development of an ongoing annexation agreement it was determined the City of Rochelle would pursue a traffic study analysis and Intersection Design Study (IDS) before developing the necessary construction plans for the improvements at IL Rte. 251 and Steward Rd. The annexation agreement contains provisions for a majority of the Engineering IDS reimbursement associated with the proposed development. Willett Hoffman Associates developed and submitted the traffic analysis to IDOT, on behalf of the City, several months ago. Since that time IDOT has reviewed and concurred with said study allowing the City to proceed onto the next step of the project. Willett Hofmann has submitted a proposal for a Preliminary Engineering Services Agreement (PESA) related to the IDS at the above identified location. Approval of this PESA will allow the next step of the IDOT review process to continue and keep this critical project on schedule for eventual bidding and commencement of construction in late spring 2018. Sam Tesreau was present to answer questions. Motion made by Councilor T. McDermott and seconded by Councilor D. McDermott, **“I move Agreement 17-4761, a Preliminary Engineering Services Agreement with Willett Hoffman and Associates to perform an Intersection Design Study, 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.
- 9) **Ordinance Approving Utility Easement Agreement – 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 this proposed agreement, a total of eleven easement agreements have been finalized and one remaining agreement is still being negotiated. Motion made by Councilor Hayes and seconded by Councilor D. McDermott, **“I move Ordinance 17-4762, an ordinance approving a utility easement agreement with the Nefstead 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.

10) **Purchase of Replacement Backup Generator for the Fire Station.** The current backup generator for the Fire Station was manufactured in the 1970s and was obtained used from the Police Department when they purchased a new one after becoming the backup 911 center for the county. It is undersized and only runs select circuits not including HVAC or the Storm Siren. Also because of the age of the current generator power fluctuations from the generator have caused damage to the base radio. In conducting the research for this project it became apparent that whereas several contractors supply generators, Alternate Power Inc. specializes only in the sales, installation and service of generators. Currently the Ogle-Lee Fire Protection District owns four backup generators all purchased, installed, and serviced by Alternate Power. These generators have been in service since February of 2006 and in those 10+ years the customer service from Alternate Power has been flawless. Since the purchase of a generator is a long term investment the Fire Chief is asking to be allowed to remain with a supplier who has a proven track record of exceptional customer service and proceed with this purchase without competitive bidding. Chief Sawlsville was present to answer questions. Motion made by Councilor Hayes and seconded by Councilor Bearrows, **“I move the Council authorize the City Manager to approve the purchase of a replacement backup generator for the fire station, without competitive bidding, from Alternate Power at a cost of \$46,299.04.”** 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. None.

EXECUTIVE SESSION: at 8:099 PM, Counselor D. McDermott moved and seconded by Counselor Shaw-Dickey, **“I move the Council recess into executive session to discuss the sale or lease of property owned by the city, Section (c)(6).”** 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 9:04 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 9:045 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