

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
May 28, 2019**

The Rochelle City Council met in Regular Session at 6:30 p.m. on Tuesday, May 28, 2019 in the Council Chambers of City Hall; 420 N. 6th Street; Rochelle, IL 61068.

PLEDGE TO THE FLAG & PRAYER: Prayer was said by Doug Cowan.

ROLL CALL: Present on Roll Call was Councilmembers Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. A quorum of six were present. Also present were City Attorney Dominick Lanzito, City Manager Jeff Fiegenschuh and City Clerk Sue Messer.

PROCLAMATIONS, COMMENDATIONS, ETC:

- 100th Anniversary of Illinois Being the First State to Ratify the 19th Amendment
- Public Works Week May 19-25, 2019
- Police Week May 12-18, 2019

REPORTS AND COMMUNICATIONS:

- Mayor – Thanked VFW for Memorial service, it was very moving.
- Council Members
- Good News
 - Interact Club – Graffiti Cleanup Initiative
 - Light Up Navajo Project
 - Wellness Program – Sarah Brooks and Nancy Bingham
 - Class B License – Adam Lanning

PUBLIC COMMENTARY: None.

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – 5/13/19
- b) Approve Exceptions – 5/8/19-5/20/19
- c) Approve Bills – 5/21/19
- d) Approve Payroll – 5/6/19-5/19/19
- e) Approve Request for Ale on Lincoln – June 29, 2019
- f) Approve United Methodist Church Request – Love Your Neighbor Outreach May 30, 2019
- g) Approve Flagg Township Museum Request to Dedicate Whitcomb Railroad Turntable at the Ken Wise Rochelle Railroad Park – June 1, 2019
- h) Accept and Place on File Financial Statement April 2019
- i) Approve Rochelle Community Hospital Association Request – Hospital Hustle June 1, 2019

Motion made by Councilor T. McDermott and seconded by Councilor Hayes “**I move consent agenda items (a) through (i) be approved by Omnibus vote as recommended.**” Roll call vote was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.

- 2) **Resolution Authorizing the Execution of a First Amendment to the Asset Purchase Agreement between the City of Rochelle and NextEra Energy Transmission MidAtlantic, Inc.** Rochelle currently owns approximately 20 miles of 138 kV transmission lines and associated substation facilities at Caron Road and Twombly (Substation #2). Since August 1, 2015, RMU has operated these facilities as a transmission owner (“TO”) under the applicable tariff and related agreements of PJM Interconnection, LLC (“PJM”). As a PJM TO, Rochelle recovers an annual revenue requirement for its transmission facilities, which allows Rochelle to recover all necessary transmission-related expenses, including transmission O&M, A&G, taxes, insurance, and depreciation, earn a return on transmission rate base and recover a Payment in Lieu of Taxes. The transmission function has served Rochelle well by enabling the City to meet PJM reliability requirements and regional compliance obligations, with the necessary cost being shared by customers throughout the applicable transmission zone rather than solely by RMU customers. However, RMU’s primary focus as an electric utility is on providing electric distribution service to retail and commercial customers, not the provision of transmission-related services. In order to better enable RMU to meet current operational needs and better situate it to meet potential future needs, RMU issued a request for proposals on July 12, 2017, to explore opportunities either for a transmission-related strategic partnership, or an outright sale of its transmission assets to a transmission-focused company. Rochelle received competitive proposals from six respondents, four of which were bids for an outright sale of RMU’s transmission assets. These proposals were evaluated by RMU staff and its consulting team and follow-up interviews were conducted with four of the respondents. The results of these evaluations have been shared with council members over the course of two executive sessions, most recently on November 13th. After consideration, RMU and staff recommended that the council authorize the City Manager to execute a Letter of Intent (“LOI”) and enter into negotiations over a potential definitive agreement with Nextera Energy Transmission MidAtlantic LLC (“NEET”). Resolution 17-24 was approved by City Council on November 27, 2017 and then the parties subsequently negotiated the Asset Purchase Agreement for the City’s transmission assets. The Asset Purchase Agreement was approved on April 16, 2018 by Ordinance 18-4833. Pursuant to the terms of the APA, the agreement was self-terminating if the transaction did not close by June 30, 2019. NextEra is in the process of obtaining the final regulatory approval necessary to complete the closing, but it is unlikely that approval will be granted before June 30, 2019. As such, both parties wish to extend the termination date as set forth in the Amendment to the APA. David Davis, NextEra representative spoke on status, frustrated with the delay but confident with the outcome. Motion made by Councilor T. McDermott and seconded by Councilor D. McDermott **“I move Resolution R19-27, a Resolution Authorizing the Execution of a First Amendment to the Asset Purchase Agreement between the City of Rochelle and NextEra Energy Transmission MidAtlantic, Inc., be approved.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.
- 3) **2019 Annual Seal Coat street maintenance MFT section#19-00000-00-GM.** Various streets and/or alleys were identified to receive a seal coat (A1 & A2) surface treatment this calendar year (CY) to provide for much needed roadway maintenance and preservation. The areas are shown on the attached exhibit A. Additional areas may be considered by the City Engineer during the construction process as funds allow. The above referenced project was advertised in the Illinois Dept. of Transportation (IDOT) Notice to Contractor’s Bulletin 19-18 as well as the Rochelle News Leader. Bids were publicly opened and read aloud on May 16, 2019 at 10 am for the above referenced project. Two separate bids were received as follows:
- Civil Constructors, Inc. submitted a bid for making the entire improvements in the amount of \$144,474.00
 - Porter Brothers Asphalt & Sealing, Inc. submitted a bid for making the entire improvements in the amount of \$146,633.31
- The lowest bid is approximately 4% lower than the Engineers estimate of cost. The various streets general maintenance project is funded with Motor Fuel Tax (MFT) funds administered through IDOT. A transfer from the CY 2019 MFT fund 17-00 will be made to the CY 2019 CIP fund 36-00-86086 to cover the Local Agency (LA) costs associated with the General Maintenance project of various streets with Sec#19-00000-00-GM. The City Street Department crews will provide pavement patching, surface preparation and sweeping in advance of seal coat operations. City council approval of resolution (BLR 14220) will allow the City to move forward with providing funding associated with engineering, maintenance and/or construction on the referenced project from the MFT fund. Enclosure (1) uses the standard IDOT resolution to document the requested expenditure. Sam Tesreau was available to answer questions. Motion made by Councilor Shaw-Dickey and seconded by Councilor Hayes, **“I move Resolution R19-34, a Resolution for Maintenance of Street and Highways by Municipality Under the Illinois Highway Code (BLR 14220) appropriating MFT funds for general maintenance of various streets, be approved.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0. Motion made by Councilor T. McDermott and seconded by Councilor D. McDermott, **“I move the Council accept the low bid proposal and award the 2019 Annual Seal Coat Street Maintenance Project to Civil Constructors, Inc. in the amount of \$144,474 and reject all other bids.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.

- 4) **Water Reclamation Facility Improvements Project.** On May 23rd a bid opening was held for the phase one water reclamation facility improvements project. Five bids were opened and read aloud ranging from \$7,070,000 to \$7,738,000. The low bidder was Whittaker Construction and Excavating with a bid in the amount of \$6,979.845 after accepting items A through G and N. This project will be financed through a low interest IEPA loan and will not require a rate increase since a loan was paid off in 2017 and we targeted the annual dollar amount to reflect a continuation of that old annual payment. Adam Lanning was available to answer questions. Motion made by Councilor D. McDermott and second by Councilor T. McDermott, **“I move the Council accept the low bid proposal and award the Water Reclamation Facility Improvements Project to Whittaker Construction & Excavating Inc. in the amount of \$6,979,845.00 contingent on receipt of a loan from the Water Pollution Control Loan Program (WPCLP) administered by IEPA and reject all other bids.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0. Motion made Councilor D. McDermott and seconded by Councilor Shaw-Dickey, **“I move the Council authorize the Mayor to sign the WPCLP Loan Agreement upon its receipt.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0. Motion made by Councilor D. McDermott and seconded by Councilor Shaw-Dickey, **“I move the Council authorize the issuance of the Notice of Award to Whittaker Construction & Excavating Inc. after the Mayor signs the WPCLP Loan Agreement.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.
- 5) **Ordinance Approving an Annexation Agreement between the City of Rochelle and Rochelle Township High School District No. 212 (Public Hearing and Adoption).** Rochelle Township High School District No. 212 would like to annex the property located at 1382-1384 N. 8th Street, Rochelle, IL 61068 into the City of Rochelle. City staff and the school district are proposing that the terms of the annexation be memorialized via an annexation agreement between the parties. The property has a legal description of parcel number 24-13-301-002. The lot is approximately 1.99 acres. The annexation allows the property to be included in the Northern Gateway TIF. Notice of public hearing was published on April 12, 2019. The City of Rochelle Planning & Zoning Commission held a public hearing on May 6, 2019 and recommended approval of the plat of annexation by a vote of 4-0. Community Development Director, Michelle Pease provided description and was available to answer questions. Motion made by Councilor Hayes and second by Councilor D. McDermott, **“I move the Council recess into a Public Hearing for an Annexation Agreement between the City of Rochelle and Rochelle Township High School District No. 212 for property located at 1382-1384 North 8th Street, Rochelle.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0. There were no public comments. Motion made Councilor Shaw-Dickey and Councilor D. McDermott, **“I move the Council return to open session.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0. Motion made by Councilor D. McDermott and seconded by Councilor Hayes, **“I move Ordinance 19-5004, an Ordinance Approving an Annexation Agreement between the City of Rochelle and Rochelle Township High School District No. 212 for property located at 1382-1384 North 8th Street, be approved.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.
- 6) **Ordinance Approving a Plat of Annexation of the Rochelle Township High School District No. 212 Garage Property – 1382-1384 N 8th Street.** Michelle Pease was available to answer questions. Motion made by Councilor T. McDermott and second by Councilor D. McDermott, **“I move Ordinance 19-5005, an Ordinance Approving a Plat of Annexation of the Rochelle Township High School District No. 212 Garage Property at 1382-1384 N 8th Street, be approved.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.
- 7) **Ordinance Adopting and Approving an Amended Rochelle Northern Gateway Tax Increment Financing Redevelopment Plan and Related Redevelopment Projects for the Proposed Amended Redevelopment Project Area Plan and Redevelopment Project.** The Northern Gateway TIF proposed amendment is to allow the property owned by the Rochelle Township High School District #212, located at 1382-1384 N. 8th Street, Rochelle, IL to be annexed in to the City of Rochelle and be included in the Northern Gateway TIF, allowing District #212 to be eligible to receive a 24% reimbursement. Notice of public hearing was published on April 12, 2019. The City of Rochelle Planning & Zoning Commission held a public hearing on May 6, 2019 and approved the plat of annexation by a vote of 4-0. Michelle Pease was available to answer questions. Motion made by Councilor T. McDermott and seconded by Councilor Hayes, **“I move Ordinance 19-5006, an Ordinance Adopting and Approving an Amended Rochelle Northern Gateway Tax Increment Financing Redevelopment Plan and Related Redevelopment Projects for the Proposed Amended Redevelopment Project Area Plan and Redevelopment Project, be approved.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.

- 8) **Ordinance Adding an Additional Parcel of Property to the Rochelle Northern Gateway Tax Increment Financing Redevelopment Project Area.** Motion made Councilor Hayes and seconded by Councilor T. McDermott, **“I move Ordinance 19-5007, an Ordinance Adding an Additional Parcel of Property to the Rochelle Northern Gateway Tax Increment Financing Redevelopment Project Area, be approved.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.
- 9) **Ordinance Adopting Tax Increment Financing for the Amended Redevelopment Project Area.** Motion made by Councilor T. McDermott and seconded by Councilor D. McDermott, **“I move Ordinance 19-5008, an Ordinance Adopting Tax Increment Financing for the Amended Redevelopment Project Area, be approved.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.
- 10) **Ordinance Approving a Rochelle Northern Gateway Tax Increment Financing District Intergovernmental Agreement with Rochelle Township High School District No. 212 and Rochelle Community Consolidated School District No. 231.** Rochelle Township High School District #212 and Rochelle Community Consolidated School District #231 would like to enter into a TIF Agreement with the City of Rochelle. Under the term of this proposed agreement, the City will reimburse the School Districts for expenditures for capital costs, job training, and advanced vocational and career education from the real estate tax increment created by any development or increase in equalized assessed valuation within the TIF District, a sum equal to 24% of the annual gross real estate tax increment created in the TIF District. Michelle Pease was available to answer questions. Motion made by Councilor Shaw-Dickey and seconded Councilor D. McDermott, **“I move Ordinance 19-5009, an Ordinance Approving a Rochelle Northern Gateway Tax Increment Financing District Intergovernmental Agreement with Rochelle Township High School District No. 212 and Rochelle Community Consolidated School District No. 231, be approved.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.
- 11) **Resolutions Approving Right of Way and Temporary Construction Easements for the South Main Street Project.** This is the fourth group of agreements for the right of way parcels and/or easements for the South Main Street Phase 1 reconstruction project. Several more are anticipated over the next few months. As a result of the final engineering plans it was determined that certain additional right of way parcels and easements were necessary to complete the construction of the improvements. Appraisals were conducted on each property. Sam Tesreau was available to answer questions. Motion made by Councilor T. McDermott and seconded by Councilor D. McDermott, **“I move Resolution R19-28, a Resolution Authorizing Payment for Certain Right-of-Way and Temporary Construction Easement Rights Pertaining to the South Main Street Phase 1 Reconstruction and Expansion Project with Keith Keutzer, be approved.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 6-0. Motion made Councilor Gruben and seconded by Councilor D. McDermott, **“I move Resolution R19-29, a Resolution Authorizing Payment for Certain Temporary Construction Easement Rights Pertaining to the South Main Street Phase 1 Reconstruction and Expansion Project with Graphic Arts Bindery, LLC, be approved.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0. Motion made Councilor Shaw-Dickey and seconded by Councilor Hayes, **“I move Resolution R19-30, a Resolution Authorizing the Payment for Certain Temporary Construction Easement Rights Pertaining to the South Main Street Phase 1 Construction and Expansion Project with Master Graphics, LLC, be approved.”** Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.

- 12) **Resolution Authorizing the City Manager to Execute a Redevelopment Agreement with MightyVine.** The City of Rochelle plans to enter into a redevelopment agreement with Pasquesi Farms d/b/a MightyVine to cover the costs of extending an additional distribution line and other infrastructure for their proposed 653,000 square foot greenhouse expansion. The new expansion will add an additional 8 MWh of power to RMU's load. The City has verbally agreed to expand the electric service to the building and put up to Eighty percent (80%) or \$413,150 of the estimated \$516,437 expansion of utilities to phase 3. MightyVine will be responsible for twenty percent (20%) or approximately \$103,287 of the total costs of upgrading the distribution facilities of RMU to the subject property. MightyVine will also pay all additional expenses for the electrical infrastructure from (and including) the transformers and other required electrical improvements to the site.

Important components of the agreement include:

- MightyVine agrees to not pursue solar or other forms of generation on the site for a term of two (2) years after the installation of the infrastructure. Should the City receive a grant sufficient enough to cover the costs of the infrastructure improvements to the electric distribution system, then this obligation will be deemed fulfilled by the City.
- The City agrees that MightyVine may, at its expense, split the water service inside the building into components for domestic water and sprinkler systems. MightyVine agrees to pay all expenses with any needed increases in water main sizes.
- MightyVine's portion of all expenses for the project shall be paid in full at the completion of the project.
- MightyVine agrees to meet all local zoning and building codes and understands they will not receive an occupancy permit without doing so.

Motion made by Councilor T. McDermott and seconded by Councilor Hayes, "**I move Resolution R19-31, a Resolution Authorizing the City Manager to Execute a Redevelopment Agreement with MightyVine, be approved.**" Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.

- 13) **Resolution Authorizing the City Manager to Apply for and Execute any Agreement Necessary for a Community Development Block Grant (CDBG) Program Grant.** The City of Rochelle is submitting an application for an Economic Development grant under the Community Development Block Grant (CDBG) Program for a public infrastructure extension project. The grant request, in the amount of \$650,000, will be used to extend publicly-owned electrical infrastructure including poles and conductors to support the expansion of MightyVine's commercial greenhouse. The grant will be leveraged by funds that will be derived from MightyVine's project investment. Jason Bird, Superintendent of Electric Operation, was available to answer questions. Motion made by Councilor Shaw-Dickey and seconded by Councilor D. McDermott, "**I move Resolution R19-32, a Resolution Authorizing the City Manager to Apply for and Execute any Agreement Necessary for a Community Development Block Grant (CDBG) Program Grant, be approved.**" Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.

- 14) **Resolution Authorizing the City Manager to Establish a Rochelle Municipal Utilities Assistance Program.** According to the 2016 US Census, an estimated 311 households in the Rochelle Municipal Utilities (RMU) territory are below poverty level. To qualify for the RMU assistance program, the RMU customer must first apply to the Low-Income Energy Assistance Program (LIHEAP) prior to applying to the RMU assistance program. The proposed RMU assistance program will be open to all RMU customers who fit the income guidelines as outlined by LIHEAP. The program could provide \$300 a year per household to help pay for utility charges. The RMU program will be funded by the renewable energy credits from the previous year. Based on the 2018 renewable credits, 258 households could receive assistance in 2019. Barbara Bell, Customer Service Supervisor, was available to answer questions. Motion made by Councilor T. McDermott and seconded by Councilor Hayes, "**I move Resolution R19-33, a Resolution Authorizing the City Manager to Establish a Rochelle Municipal Utilities Assistance Program, be approved.**" Roll call was taken. Ayes: Councilor Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.

15) Classification and Compensation Study. In March of 2018 we accepted RFP's for a Classification and Compensation Study and AJ Gallagher was selected as the firm to lead/complete the project. Certain work during this project was performed by city staff to bring the fees within budget. The staff verified questions identified by the consultants in the position description questionnaires; provided contact information of survey participants and conducted the survey follow-up; reviewed several times with consultants the results and proposed rating and grades; and reviewed and/or updated job descriptions. The Classification and Compensation Study project for non-union positions was completed in the 4th Quarter of 2018. The project included positions held by approximately 50 individuals. Questionnaires were completed, interviews conducted, and data reviewed & analyzed to recommend the classification structure (including FSLA status) using the application of the "Decision Band Method". Surveys were conducted, benchmarking identified, and competitive analysis performed to recommend the pay structure. The job descriptions were reviewed and updated to include soft skills. This phase of the project is complete. The DBM rating structure will be reviewed/adjusted annually during the budget process. As departments reorganize and positions evolve or change the grade structure will be reevaluated and/or adjusted if needed. Nancy Bingham, Human Resources Coordinator, was available for questions. Motion made by Councilor Hayes and seconded by Councilor T. McDermott, **"I move the Council accept and place on file the DBM Rating and DBM Grade proposed by AJ Gallagher as a result of the classification and compensation study."** Roll call was taken. Ayes: Councilor Gruben, Hayes, D.McDermott, T. McDermott, Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 6-0.

DISCUSSION ITEM: Brownfields Grant. Community Development Director, Michelle Pease gave a short presentation. In 2014, the USEPA awarded the City of Rochelle a \$400,000 Community Wide Brownfields Assessment Grant to assess petroleum and hazardous substance contamination. The goal of the grant has been to understand the nature of contamination throughout the City and assist with redevelopment. In January 2019, the City applied for \$300,000 in additional USEPA Assessment Grant funds to continue this work, with a focus on the Downtown District and 7th Street Corridor.

EXECUTIVE SESSION: None.

ADJOURNMENT: At 8:00 PM, moved by Councilor D. McDermott and seconded by Councilor Hayes. **"I move the Council adjourn."** Motion passed by voice vote without dissent.

John Bearrows, Mayor

Susan L. Messer
City Clerk of Rochelle