

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
September 24, 2012**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, September 24, 2012 in the Council Chambers of City Hall; 420 N. 6th Street; Rochelle, IL 61068.

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

ROLL CALL: Present on Roll Call were Councilmembers Hayes, Berg, McDermott, Hollonbeck, Rice, Eckhardt, and Mayor Olson. Absent: None. Quorum of 7. Also present were City Manager, David Plyman and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.:

- **National Fire Prevention Week – October 7-13, 2012:** Read by City Clerk, Bruce McKinney. Presented to Fire Chief Brian Johnson who will display it at the fire station.

REPORTS AND COMMUNICATIONS:

- Mayor: Lions Candy Day is October 12 & 13.
- Council Members: Councilwoman Hollonbeck expressed her gratitude to the Fire Department and the Utility Departments during the recent fire in the Tikkala Building.
- Service Award Presentation: Chief Brian Johnson presented an award to Dan McDermott for his 32 years of service as a Paid-on-Call firefighter. He earned many certificates, beyond what it expected of a volunteer, as well as numerous well known fire fighting experiences through the years.
- Financial Statements – August 2012: included in Council Agenda Packets.

PUBLIC COMMENTARY: None

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – September 10, 2012;
- b) Accept and Place on File Minutes of Airport Advisory Board Meeting – June 25, 2012;
- c) Approve Bills – 08/31/12-09/06/12=\$551,129.32; 09/07/12-09/13/12=\$401,973.26;
- d) Approve Payroll – 08/20/12-09/02/12=\$204,664.16;
- e) Authorize the use of Lawnridge Cemetery for a Living History Walk – September 30, 2012;
- f) Authorize the Rochelle Crop Hunger Walk throughout the Community – September 30, 2012.

Moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, **"I move Consent Agenda Items (a) through (f) be approved by Omnibus Vote as recommended."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.

- 2) **Installation of Isolation Breakers – Water Wells and Water Reclamation Plant:** In 2006 the Occupational Safety and Health Administration (OSHA) issued regulations which required a study of all electrical panels to determine the potential for an arc flash explosion. The City subsequently hired Siemens to perform the studies for the Water and Water Reclamation Divisions and Engel Electric to install the required hazard and personal protective equipment (PPE) labeling. As a follow up to the labeling, Engel Electric recommended that disconnects be installed in advance of the panels to make them safer to work on. Siemens evaluated the panels and concluded that the installation of isolation breakers at each of the wells and ahead of the main breaker at the treatment plant would significantly improve the safety for employees working on the panels. The Siemens' study was provided to three electrical contractors, Mascal Electric, Morse Electric and Engel Electric, and they were asked to submit a proposal to install the breakers. Mascal Electric provided a proposal of \$38,672 for the wells and \$50,768 for the Treatment Plant, Morse Electric did not respond to the request, and Engel Electric provided a proposal of \$33,200 for the wells and \$43,639 for the Treatment Plan. As a result Superintendent Kathy Cooper recommends accepting the proposal from Engel Electric. The 2012-13 Capital Outlay Budget for Water/Water Reclamation includes a total amount of \$86,000 for this project. Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck, **"I move Proposal 12-4231, A proposal for the installation of isolation breakers at the water wells and water reclamation plant from Engel Electric for a total amount of \$76,839, be approved."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.
- 3) **Audit Report Fiscal Year 2011/2012 :** On March 8, 2010 the Mayor and City Council approved a contract with Sikich, LLP to perform an audit of the City's financial operations for fiscal years ending April 30, 2010, 2011 and 2012. This is the third year Sikich has completed our annual audit. Sikich planned and performed the audit in order to verify that the financial statements are free of material misstatements. This included examining, on a test basis, evidence supporting the amounts reported in the financial statements. The audit also assessed the accounting principles applied, significant estimates made by management and evaluated the overall financial statement presentation. The auditor's opinion, as noted on page 1 of the Auditor's 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 April 30, 2012, 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." Finance Manager Chris Frye provided a presentation comparing the actual General Fund revenues, expenditures and fund balances for years 2008 through 2012, using slides. Fred Lantz, Partner-in-Charge of Government Services for Sikich, was present to provide an overview of the City's Financial Statement (the auditors' report had been given previously to the council members) and responded to questions from the Mayor and Council members. Moved by Councilman Berg and seconded by Councilman Rice, **"I move the Council accept and place on file Audit Report 12-4232 for FY 2011/2012 as prepared and presented by Sikich, LLP."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.

- 4) **Minimum/Maximum Additional Billing for Contract Year 12/31/2009-12/31/2010 – 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 has taken advantage of the IMLRMA's "Minimum/Maximum Premium Program" for the past several years in order to reduce our premium costs by accepting some risk of loss. To date, the City has realized significant savings through the Min/Max Program due to our loss experience. In November of 2009 the Mayor and Council approved an Ordinance Authorizing the Execution of the Minimum/Maximum Contribution Agreement for the period December 31, 2009 to December 31, 2010. At that time it was noted that "selecting the minimum payment option subjects the City to additional premiums of approximately \$127,000 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 \$98,591.98. Of the 31 claims initiated during this time period only three remain open. In addition, the City is seeking damages from a third party related to one of the open claims; the largest claim incurred during the period. Lynette Fischer was present to answer questions. Councilman Rice mentioned that it appears the City is the reserve and therefore needs money in reserve should there be a few years of big claims in a row; also a higher deductible. Mr. Plyman said that insurance agreements are now being looked into. Moved by Councilwoman Hollonbeck and seconded by Councilman Eckhardt, **"I move the 2012 Minimum/Maximum Additional Billing 12-4233, to pay an additional \$98,561.98 for contract year 12/31/2009-12/31/2010 to the IMLRMA, be approved."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, and Mayor Olson. Nays: Councilman Rice. Motion passed 6-1.
- 5) **Engineering Agreement with Fehr Graham – Wiscold Drive Improvement Project:** In 2009, in association with the expansion of Sara Lee Corporation, the City of Rochelle submitted a grant application to the Illinois Department of Transportation (IDOT) for Economic Development Program (EDP) funds to assist with 3,000 feet of roadway upgrades along Wiscold Drive. On January 8, 2010 the City received an award letter from IDOT committing EDP funding of up to 50% of the Wiscold Drive improvements and associated expenses in an amount not to exceed \$1,123,860. The Mayor and Council subsequently approved a State/Local Joint Agreement and a Local Agency/Company Agreement related to the EDP funding and a resolution establishing Wiscold Drive as a Class II Designated Truck Route. The State has since approved the joint agreement, which secured the EDP funds, and given the City until December 31, 2013 to award the construction portion of the project. Fehr Graham Engineering and Environmental has provided a scope services for the preliminary engineering associated with the project for a fee of \$156,800 and construction observation services not to exceed \$104,500. Approval of this agreement will allow the necessary construction plans, specifications and other supporting information to be developed and submitted to the applicable agencies for review with a goal of construction in late summer of 2013. This is a multi-year project and the 2012-2013 Capital Projects Fund includes \$450,000 for the engineering and preliminary work required for this improvement project. Sam Tesreau was present to answer questions. Moved by Councilman Berg and seconded by Councilman McDermott, **"I move Agreement 12-4234, An Agreement**

between the City of Rochelle and Fehr-Graham Engineering and Environmental for engineering services related to the Wiscold Drive Improvement Project, be approved. Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.

DISCUSSION ITEMS:

- 1) **Conservation and Recycling Committee Report:** Diane McNeilly, Committee Chair gave the report. The objective of the committee is to improve recycling rates; reduction of and reuse resources; educate the public about conservation resources; study best practices and identify ways to accomplish better conservation of resources.

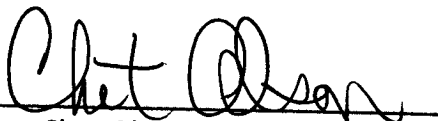
During the first year, they did several studies which resulted in improved the City's recycling bin program; provided information to the public; discussed needs and current practices with Rochelle Disposal; printed environmental issues in local newspaper; included next generation in conservation efforts; and start of bicycle collection and distribution project.

At a recent League of Women Voters of Rochelle meeting, the continuation of this work was approved for one more year. The agenda for the next twelve months includes: participation in other recycle events done throughout America; reduce use of plastic bags; more studies; encourage multifamily and business recycling; and medical equipment collection and distribution.

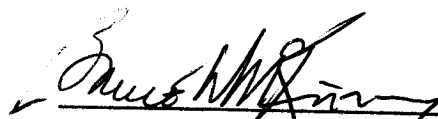
EXECUTIVE SESSION: At 8:30 p.m., moved by Councilman Berg and seconded by Councilman McDermott, **"I move the Council recess into executive session to discuss: the appointment, employment, compensation of specific employee(s). Section (c) (1); and purchase or lease of real property for City's use. Section (c) (5); and discussion of minutes of meeting lawfully closed under this Act for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated. Section (c) (21)."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.

At 8:55 p.m. Councilman Berg moved and seconded by Councilman McDermott, **"I move the Council return to Open Session."** Motion passed by voice vote without dissent.

ADJOURNMENT: At 8:55 p.m., moved by Councilman Berg and seconded by Councilman McDermott, **"I move the Council adjourn."** Motion passed by voice vote without dissent.



Chet Olson, Mayor



Bruce McKinney, CMC,
City Clerk, City of Rochelle