

**ROCHELLE CITY COUNCIL  
REGULAR COUNCIL MEETING MINUTES  
December 12, 2011**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, December 12, 2011 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 City Clerk McKinney.

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

**PROCLAMATIONS, COMMENDATIONS, ETC.:** None

**REPORTS AND COMMUNICATIONS:**

Mayor:

- Thanked everyone involved in the Christmas parade and the Christmas Tree Festival. There was \$2600 raised from the sale of trees, centerpieces, etc. for the Rochelle Christian Food Pantry.
- Attended the IML Committee meeting; good meeting with lots of good reports: legislative activity; created Public Works committee; FOIA requests expanding to email; cell phones being used during meeting has become quite a topic; covered legal reports; went over budget; etc. Can go on IML site for more information.

Council Members:

- Councilman Berg: Had a Public Works Committee meeting Dec. 8<sup>th</sup>. Items discussed were:
  - Landscape waste, specifically brush waste (instead of burning it).
  - Quiet Zones: Sam Tesreau gave information, including the cost of over a million dollars; have a lot more work to do on this item.
  - Traffic situation at 9<sup>th</sup> Street and Jones Road. Chief Higby provided accident information; 4,000 vehicles go through intersection a day; not keen on speed tables at this time; both Chiefs have concerns about emergency vehicles; tabled until Park District gets back to them with some information.
- Councilman Eckhart: Administrative Committee will be meeting on Friday, December 16<sup>th</sup> at 8:00. Will be discussing Liquor License Fees; Sunday liquor sales; Squires East sidewalk issue; TIF study.

**PUBLIC COMMENTARY:** None

**BUSINESS ITEMS:**

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

- a) Approve Minutes of City Council Meeting – November 28, 2011
- b) Approve Bills 11/18/11 - 11/23/11: **\$1,158,125.83**; 11/24/11-12/01/11: **\$211,550.82**
- c) Approve Payroll 11/14/11-11/27/11: **\$216,678.12**
- d) Approve City of Rochelle Meeting Dates for 2012
- e) Approve City of Rochelle Legal Holidays for 2012

Moved by Councilman Eckhart and seconded by Councilwoman Hollonbeck, "**I move Consent Agenda Items (a) through (e) be approved by Omnibus Vote as recommended.**" Roll call vote was taken.

Ayes: Councilmembers Hayes, McDermott, Berg, Eckhardt, Hollonbeck, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.

2) **Ordinance Adopting 2011 Tax Levy (Public Hearing and Action):** Every year, the state requires the City to adopt and file a Property Tax Levy Ordinance on or before the last Tuesday in December. Last year, the City's Equalized Assessed Valuation ("EAV") was \$205,434,601 and its property tax rate was \$0.86035 per \$100 of EAV, which allowed the city to collect \$1,702,026 in property taxes. For the coming year, the City's EAV increased by almost 19 percent to \$244,108,234. At the November 28<sup>th</sup> meeting, the City Council discussed several options concerning the 2011 Tax Levy. The City's 2011 EAV increased significantly over the 2010 level because Dement Township reassessed properties in its jurisdiction. However, Rochelle's commercial and industrial property owners located within Dement Township are appealing their higher assessments, which, if they are successful, would result in a lower EAV, perhaps even less than last year's. This uncertainty surrounding the City's EAV presents an unusual complication in setting our property tax levy and tax rates for next year. Moreover, the City's Fire and Police Pension Boards, respectively, are seeking the Council to fully fund their recommendations based on actuarial studies. If these requests are honored the amounts levied for each of these funds will double when compared with last year. In particular, the Fire Pension Board is seeking a contribution from property taxes of \$182,958. The Police Pension Board is seeking a contribution of \$213,307. The City Council decided at the last meeting to publish a property tax levy notice for 2011 that would continue to maintain the property tax levies for the pension funds at last year's levels. The City would need to find alternative sources to fund the shortfalls, such as transfers from the landfill and ambulance accounts. In addition, the notice provides that the City would not change the property tax rates for general corporate, fire protection, police protection, crossing guard and street lighting from last year. Maintaining the last year's tax rates and pension levies, given the higher EAV due to the Dement reassessment, means that the tax levy will increase 15.66 percent. However, we believe the actual levy increase will be significantly less than this after the Dement Township property appeals are heard and the County adjusts the rates and levies accordingly. Unfortunately, it is impossible to predict the outcome of these hearings, with any certainty, prior to adoption of next year's tax levy. An Ordinance needed to be adapted at this meeting. Moved by Councilman Eckhardt and seconded by Councilman Berg, **"I move the Council Recess into a Public Hearing for the 2011 Tax Levy."** Motion passed by voice vote without dissent. No one from the public came forward. Councilwoman Hollonbeck mentioned that a memo had been sent out by Chris Frye regarding the minimum amount to be funded for pension plans. Moved by Councilman Berg and seconded by Councilman McDermott, **"I move the Council return to Open Session."** Motion passed by voice vote without dissent. Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck, **"I move Ordinance 11-4116, An Ordinance Adopting the 2011 Tax Levy, be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hollonbeck, Rice, Hayes, McDermott and Mayor Olson. Motion passed 7-0.

3) **Ordinance Abating the Taxes Levied for 2011 – Taxable General Obligation Bonds:** On November 22, 2010 the Mayor and Council approved an ordinance providing for the issuance of general obligation bonds in an amount not to exceed \$2,940,000 to finance offsite improvements related to the Lighthouse Pointe Subdivision and Route 38 corridor. The City issued bonds on December 14, 2010 in the amount of \$2,940,000. The annual debt service related to these bonds will not be paid through property taxes. Instead, the debt service will be paid through TIF revenues, interest-refunds from the Internal Revenue Service and other City funds. In order to abate the property taxes, the proposed ordinance must be approved annually and forwarded to Lee and Ogle County. Moved by Councilwoman Hollonbeck and seconded by Councilman Berg, **"I move Ordinance 11-4117, An Ordinance Abating the Taxes Levied for 2011 – Taxable General Obligation Bonds, be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hollonbeck, Rice, Hayes, McDermott and Mayor Olson. Motion passed 7-0.

- 4) **Ordinance Amending the Agreement between the City and Rochelle Avionics, Inc.:** On September 28, 2009 the Mayor and Council authorized the City Manager to enter into an agreement with Rochelle Avionics, Incorporated in order to provide aircraft maintenance services, with a focus on avionics, at the Rochelle Municipal Airport. The five-year agreement, which commenced on November 1, 2009, included various start-up incentives such as no lease payment for the first two years and structured utility costs. In November of this year Jeremy Sells, President of Rochelle Avionics, Incorporated (RAI), sent a letter requesting a one-year extension of the zero lease payment incentive due to the difficulty in starting a business under the current economic conditions. City staff members Don Elliott and Scott Rozanas have met with Mr. Sells and evaluated the request and progress of RAI. Their findings are that RAI has met their contractual obligations during the first 2 years, RAI is providing a quality service to aircraft owners and the business is showing signs of positive growth. Based on their evaluation, they recommend that council provide a one-year extension with lease payments beginning on October 31, 2012. Don Elliott was present to answer questions and recommend extending the agreement. Moved by Councilman Berg and seconded by Councilman Rice, **"I move Ordinance 11-4118, An Ordinance Amending the Agreement between the City and Rochelle Avionics, Inc., be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hollonbeck, Rice, Hayes, McDermott and Mayor Olson. Motion passed 7-0.
- 5) **Ordinance Approving the Preliminary and Final Planned Unit Development Plan and Plat for Lighthouse Pointe – Second Addition:** Spring Creek Development Group has submitted a petition for approval of a preliminary and final planned unit development (PUD) plan and plat for the second addition of Lighthouse Pointe. If approved this 10.21 acre subdivision will be located north of Illinois Route 38 and east of the new Wal-Mart store. The preliminary and final PUD plat and plan includes a four lot subdivision with access off of Coronado Drive. In addition Lot 10 also has access off North Pointe Street and an access drive to the north. On December 5, 2011 the Planning and Zoning Commission reviewed the petition for the preliminary and final PUD plat and plan for Lighthouse Pointe Second Addition and voted to recommend approval by a vote of 6-0 subject to the following: 50 foot building setbacks along North Pointe Street on lot 7, administrative approval of all individual site plans and access points, installation of all required land improvements, staff approval of final engineering, modification of the final plat as required by staff, approval of a stormwater management plan for each lot, posting of required surety, and allowance of all B-2 Highway Commercial permitted uses except when special use permit is required. Chris Limas, Community Development Director, was present for further information and to answer questions. Trying to make it more developer friendly and time saving. Moved by Councilman Berg and seconded by Councilman Eckhardt, **"I move Ordinance 11-4119, An Ordinance Approving the Preliminary and Final Planned Unit Development Plat and Plan for Lighthouse Pointe-A Planned Unit Development "Second Addition", be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hollonbeck, Rice, Hayes, McDermott and Mayor Olson. Motion passed 7-0.

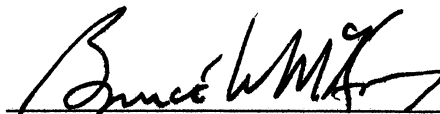
6) **Repair of Engine 7 Blower Motor:** The City of Rochelle, through Rochelle Municipal Utilities (RMU), operates three electric generation facilities including one on 9<sup>th</sup> Street. The 9<sup>th</sup> Street facility houses 8 units, of which Engine 7, rated at 3.5MW, is one of the largest. In late July, the blower motor on Engine 7 failed and was subsequently sent to GE Oil & Gas for an inspection resulting in a condition report and a proposal for repair of the motor. It is extremely important that RMU has the ability to run these engines during critical peak days. Both PJM and ComEd now require that RMU runs the engines for 5 critical peak days each year. In 2011 all of the generation units were run 17 times which lowers the capacity that the City must buy annually and thereby the overall cost to the customers. GE Oil & Gas has submitted a proposal to repair the blower motor at a cost of \$98,930. Due to lengthy lead times for parts and the necessity of having this engine operational in the summer of 2012, RMU issued a purchase order in late November. Since the failure of the blower motor was not anticipated, funds for the repair were not included in the 2011/12 budget. Although the repair cost is substantial, it is much less expensive than the cost to purchase the additional 3.5 MWs of capacity. Joe Orlikowski, Superintendent of T&D, was present for further information and to answer questions. Moved by Councilman Berg and seconded by Councilman Eckhardt, **"I move the Council Authorize the City Manager to proceed with the repair of a blower motor per the proposal from GE Oil & Gas at a cost of \$98,930 and adjust the 2011/12 Electric Operations, Ninth Street Generation Plan Maintenance Budget accordingly."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hollonbeck, Rice, Hayes, McDermott and Mayor Olson. Motion passed 7-0.

**DISCUSSION ITEMS:** None

**EXECUTIVE SESSION:** None

**ADJOURNMENT:** At 7:45 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

