

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
July 23, 2012**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, July 23, 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, Eckhardt, Rice, and Mayor Olson. Absent: None. Also present were City Manager David Plyman and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.: None

REPORTS AND COMMUNICATIONS:

- Mayor:
 - Will be attending the IML quarterly board meeting Thursday through Saturday.
- Council Members:
 - Dave Eckhardt announced an Administration Committee meeting on August 2 at 8:30 a.m. to discuss: telecommunication tax; possible information on UDO; and elected officials compensation.
 - Bil Hayes recognized those who helped in the part they played in Nippon Sharyo.
- Financial Statements - June 2012: Included in Council Agenda Packets.

PUBLIC COMMENTARY:

- **Eric Christensen, Director of Park District:** Before a decision is made to increase speed on 20th Street he pointed out some safety issues. There are two parks on 20th Street and the possibility of extension of bike path if they do get a grant which means there will be bicycles and pedestrians crossing 20th Street.

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – July 9, 2012;
- b) Approve Bills – 06/22/12-06/28/12=\$277,279.61; 06/29/12-07/05/12=\$773,688.64, 07/06/12-07/12/12=\$540,265.05;
- c) Approve Payroll – 06/25/12-07/08/12=\$220,569.04;
- d) Resolution Regarding the Release of Executive Session Minutes;
- e) Authorize the Annual Kiwanis Peanut Day at Designated Intersections – September 14, 2012;
- f) Appointment of Wayne Page as a “Member at Large” to the Stormwater Advisory Commission with a term to expire July 1, 2015;
- g) Accept and Place on File Motor Fuel Tax Funds Audit Report 1/1/10-12/31/11.

Moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, **“I move Consent Agenda Items (a) through (g) 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) **Rail Extension to Boyle Farm:** In February of last year the Mayor and Council authorized the City to file a petition with the Illinois Commerce Commission for an extension of the Rochelle Industrial Rail across Steward Road. This action was taken to facilitate rail-served industries interested in locating east of Illinois River Energy between Steward Road and I-39. In June of 2011 the ICC issued an order authorizing the installation of an at-grade crossing across Steward Road. The Coated Sand Solutions facility is currently under construction on the east side of Steward Road. The annexation agreement, approved in association with the Coated Sand Solutions project, includes a commitment from the City to provide rail to their facility on the former Boyle property. In October of 2011 the Mayor and Council approved an engineering agreement with Fehr-Graham & Associates to develop plans for the rail extension across Steward Road. Subsequent to the required public notice, two complete bids were opened on July 18, 2012. Our consultant, Fehr-Graham and Associates, has reviewed the bids and recommends acceptance of the Swanson Contracting Co., Inc bid of \$834,367.42. This rail project, estimated at \$1.2 million includes approximately 500 feet of track and a signalized crossing on Steward Road and will be funded through an Economic Development Administration grant. Construction is expected to begin in August and will be completed in October of this year. Scott Rozanas, Business Development Manager, and Zack Gill of Fehr-Graham were present to answer questions. Moved by Councilman Berg and seconded by Councilman Eckhardt, **"I move the Council accept Bid C12-09 for Rochelle Industrial Rail Extension to Boyle Farm from Swanson Contracting Co., Inc. in the amount of \$834,367.42, subject to EDA approval, and reject all other bids."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.
- 3) **Rochelle Industrial Rail Improvements Contract #2:** As the Rochelle Industrial Rail continues to expand, so does the need for increased capacity for rail car storage. In order to provide this storage, an additional switching/storage track has been designed for construction south of I-88, running north-south along the existing city rail track. Subsequent to the required public notice, two complete bids were opened on July 18, 2012. Our consultant, Fehr-Graham and Associates, has reviewed the bids and recommends acceptance of the Swanson Contracting Co., Inc. bid of \$1,462,889.50. This rail project, estimated at \$2.2 million, includes approximately 1.5 miles of track and will enhance our switching capacity and our ability to handle unit trains in the future. These improvements will be funded through an Illinois Department of Transportation Bureau of Railroads grant. Construction is expected to begin in August and will be completed in December of this year. Scott Rozanas and Zack Gill, Fehr-Graham, answered questions. Moved by Councilman Eckhardt and seconded by Councilwoman Hollonbeck, **"I move the Council accept Bid C12-10 for the Rochelle Industrial Rail Improvements Contract #2 from Swanson Contracting Co., Inc. in the amount of \$1,462,889.50, subject to EDA approval, and reject all other bids."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.

- 4) **Rochelle Industrial Rail Improvements Contract #3:** Rail car volumes on the Rochelle Industrial Rail are expected to increase significantly in the future due to the new Coated Sand Solutions and Nippon Sharyo facilities. The Economic Development Department estimates that volumes may even double within the next 24 months. In order to provide additional storage track for both inbound and outbound rails cars, an expansion of the interchange yard servicing the Union Pacific line, at the southeast corner of Creston and Caron Roads, is planned. Subsequent to the required public notice, three bids were opened on July 18, 2012. Our consultant, Fehr-Graham and Associates, has reviewed the bids and recommends acceptance of the R & R Contracting Co., Inc. bid of \$508,442.14. This rail project, estimated at \$0.75 million, includes approximately 3000 feet of track and will increase the storage capacity of the yard from 10 to 60 rail cars. These improvements will be funded through future rail revenue via agreements between the City, TLC/Ryder and Coated Sand Solutions which were approved by the Mayor and Council in April of this year. Construction is expected to begin in August and will be completed in December of this year. Jason Anderson, Economic Director, and Zack Gill of Fehr-Graham were available to answer questions. Moved by Councilwoman Hollonbeck and seconded by Councilman Hayes, **"I move the Council accept Bid C12-11 for the Rochelle Industrial Rail Improvements Contract #3 from R & R Contracting Co., Inc. in the amount of \$508,442.14 and reject all other bids."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.
- 5) **Collocation License Agreement between the City and Follett Corporation:** Follett Corporation, a distributor of educational materials with annual sales of \$2.7 billion, contacted City staff three years ago about the possibility of locating in the RMU Technology Center. Since that time, Follett representatives have decided to move one of their existing data facilities to Rochelle. Company representatives believe that Rochelle's location provides a more desirable distance from their company headquarters in River Grove than their current off-site facility. An agreement has been negotiated with Follett Corporation for 640 square feet of collocation space within the RMU Technology Center. This license agreement will provide monthly revenue of \$23,680 which will equate to annual revenue of \$284,160 for a term of five years. In addition, a verbal agreement has been reached to provide Follett with the right of first refusal for the remaining open floor space. Follett expects to occupy the remaining open space at the technology center within the next two years at which time the monthly payments will be increased. Scott Koteski was present to answer questions. If there comes a need for expansion, that is a possibility as well as planned on in the future. Moved by Councilwoman Hollonbeck and seconded by Councilman McDermott, **"I move Agreement 12-4207, An Agreement for Rochelle Municipal Utilities Collocation License Agreement with Follett Corporation, be approved."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.

- 6) **Resolution Authorizing An Amendment to the 2009 Hospital Facility Revenue Bonds:** On July 27, 2009 the Mayor and Council approved a Resolution Authorizing the City of Rochelle to Issue Not-to-Exceed \$8,000,000 in Tax-Exempt Hospital Facility Revenue Bonds. This was done at the request of Rochelle Community Hospital in order to refinance the outstanding balance on their 2004 debt and issue new debt to purchase land for a future expansion. Through an Indenture of Trust, Loan Agreement, Mortgage, and Security Agreement that were executed in relation to the bond transaction, the City issued the bonds and loaned the proceeds without having any financial obligation for repayment of the bonds. Rochelle Community Hospital, via their consultant Chapman and Cutler, has requested an amendment to the original loan agreement in order to lower the interest rate and change the payment schedule. The original bonds had a fixed rate of 4.75% for 5 years and a variable rate thereafter. The bonds could be called after the initial 5-year period, which ended August 1, 2014. The new documents reduce the fixed rate to 3.5% and extend the fixed rate period by an additional 5 years to August 1, 2019. They also provide that the bonds may not be called before the end of the fixed rate period. The proposed resolution will give the City, through the First Supplemental Indenture and First Supplemental Loan Agreement, the authority to change the interest rate and term. Once again, the Hospital will be liable for payment of the debt, agrees to pay all of the costs that the City may incur relating to the bonds, and agrees to indemnify the City for any liability arising with respect to the bonds. City Attorney Alan Cooper has also reviewed the documents and was present to answer questions. Also present was Gerri Hayden, representing Consortium of Banks. Moved by Councilman Rice and seconded by Councilman Berg, **"I move Resolution R12-19, A Resolution authorizing the execution and delivery of a First Supplement Indenture of Trust dated as of August 1, 2012, supplementing and amending the Indenture of Trust dated as of August 1, 2009 each by and between the City of Rochelle, Ogle County, Illinois and First National Bank of Omaha as trustee, pursuant to which the City issued its \$7,000,000 in Original aggregate principal amount of Hospital Facility Revenue Bonds, Series 2009 for the benefit of Rochelle Community Hospital Association; and authorizing and approving certain related matters, be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Abstain: Councilman Eckhardt. Motion passed 6-0.
- 7) **Ordinance Amending Chapter 26 of the Municipal Code – Peddler Permits:** City Clerk, Bruce McKinney, has proposed modifications to the City Code governing the issuance of Peddlers Permits. These modifications include processing fingerprints through the Illinois State Police, in order to obtain more detailed background information, and increasing the cost of the related fingerprinting fee to \$50 to cover the City's cost. The proposed modifications were discussed by the Administrative Committee of the City Council at their meeting on July 12, 2012. Following some discussion, the consensus of the Administrative Committee was to recommend modifications to the City Code as proposed. Bruce McKinney answered questions. This would not affect local people such as Girl Scouts, etc. As it is now they can only be fingerprinted on a card by our police department for our file in case there is a future crime committed by a solicitor/peddler. The Police Department is no longer allowed to do a background check as they were previously able to. Moved by Councilman Berg and seconded by Councilman Eckhardt, **"I move Ordinance 12-4208, An Ordinance amending Section 26-44 of the Rochelle Municipal Code to increase Fees for Fingerprinting Individuals Applying for Peddler's Permits, be adopted."** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.

- 8) **Ordinance Amending Chapter 94 – 20th Street Speed Limit:** At the request of the Rochelle Police Department, a traffic study was conducted along 20th Street from 8th Avenue to Flagg Road. The purpose of the study was to identify the volume and speed of traffic in this area. Willett Hoffman and Associates completed the requested study earlier this year. Based on data collected in the field and data obtained from the “Policy on Establishing and Posting Speed Limits on the State Highway System”, Willett Hoffman recommends that the current posted speed of 30 mph be increased to 40 mph. Upon approval of this ordinance, the current signage will be updated. Both Sam Tesreau, City Engineer, and Don Elliott, Street Department Superintendent, were present to answer questions. After much discussion, moved by Councilman Berg and seconded by Councilman Eckhardt, **“I move Ordinance 12-4209, An Ordinance Amending Chapter 94 (“Traffic and Vehicles”) of the Municipal Code of the City of Rochelle to change the Speed Limit on 20th Street from 8th Avenue to Flagg Road, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, and Hollonbeck. Nays: Councilmembers McDermott, Rice, and Mayor Olson. Motion passed 4-3.
- 9) **Ordinance Amending Chapter 94 – Thirty Minute Time Limit on One Parking Stall on Cherry Avenue:** Sandy Weber, of Hub City Barber Shop on Cherry Avenue, is requesting that the City establish one 30-minute time limited parking space near her shop. She often finds that most of the spaces on the block are being used by citizens visiting the senior center who are parking for long periods of time. Hub City Senior Center Director, Connie Dougherty, agrees with Ms. Weber’s suggestion that the City allocate one space for short-term parking. Weber and Dougherty understand that all on-street parking, including time limited spaces, are available on a first-come, first served basis to all citizens. The City does not assign on-street spaces to any particular business. The attached ordinance, if approved, will convert the space closest to Main Street on the south side of Cherry to a 30-minute restricted space. Moved by Councilman Berg and seconded by Councilman Rice, **“I move Ordinance 12-4209, An Ordinance Amending Chapter 94 (“Traffic and Vehicles”) Section 94-226 (“Limited Parking”) to Provide for the Establishment of a Thirty Minute Time Limit on One Parking Stall on Cherry Avenue, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.

DISCUSSION ITEMS: None.

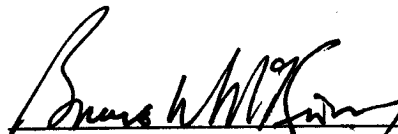
EXECUTIVE SESSION: At 7:51 p.m., moved by Councilman Berg and seconded by Councilman Eckhardt, **“I move the Council recess into executive session to discuss the compensation and/or performance of a specific employee and executive session minutes of July 9, 2012.”** Roll call vote was taken. Ayes: Councilmembers Berg, Eckhardt, Hayes, Hollonbeck, McDermott, Rice, and Mayor Olson. Nays: None. Motion passed 7-0.

At 8:45 p.m., moved by Councilman Berg and seconded by Councilman McDermott, **“I move the Council return to Open Session.”** Motion passed by voice vote without dissent.

ADJOURNMENT: At 8:45 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