

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
December 9, 2013**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, December 9, 2013 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 McDermott, Berg, Rice, Eckhart, Hayes, Hollenbeck, and Mayor Olson. Absent: None. Quorum was present. Also present were City Manager Plyman and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.: None

REPORTS AND COMMUNICATIONS:

- Mayor: Mayor Olson reported on the IML Winter Board Meeting held in Chicago. The Mayor also thanked all City Staff for their work during the last storm event.
- Council Members: None

PUBLIC COMMENTARY: Adam Heal and Bob Spring spoke on their Insurance proposal.

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – November 25, 2013
- b) Accept and Place on File Minutes of Trucking Advisory Commission – August 6, 2013
- c) Accept and Place on File Minutes of Trucking Advisory Commission – September 25, 2013
- d) Accept and Place on File Minutes of Airport Advisory Board – August 26, 2013
- e) Accept and Place on File Minutes of Railroad Advisory Board – September 26, 2013
- f) Approve Bills – 111513-112813: **\$1,786,576**
- g) Approve Payroll – 111113-112413: **\$226,464**
- h) Approve City of Rochelle Meeting Dates for 2014
- i) Approve City of Rochelle Legal Holidays for 2014

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

- 2) **Ordinance Adopting 2013 Tax Levy (Public Hearing and Action):** The State of Illinois requires the City annually 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 \$214,164,805 and its property tax rate was \$0.876630 per \$100 of EAV, which allowed the city to collect \$2,017,989.28 in property taxes. For the coming year, Ogle County has estimated the City's EAV at \$216,878,407. The City Council discussed the 2013 Tax Levy at their November 25th meeting. The Fire and Police Pension Boards requested that council fully fund their recommendations based on actuarial studies. The Fire Pension Board is seeking a contribution from property taxes of \$237,565. The Police Pension Board is seeking a contribution of \$236,189. In addition, a deficit balance exists in the City's Social Security and IMRF funds as noted on the Audit Report for Fiscal Year 2012-2013. A property tax levy notice for 2013 was published in the November 19th issue of the Rochelle News Leader which included a maximum increase of 7.98% over the previous year. The proposed levy calculations include fully funding the pension boards' recommendations and recovering 2/3 of the negative fund balances in both the Social Security and IMRF funds. However, the City will need to find alternative sources, through the budget process, to fund a shortfall in the insurance fund. The property tax rates for general corporate, fire protection, police protection, crossing guard and street lighting will remain the same as compared to last year since they are already at the maximum rate allowable. Councilman Eckhardt moved and seconded by Councilman Berg, **"I move the Council recess into a Public Hearing for the 2013 Tax Levy."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, McDermott, Rice, Eckhardt, Berg, Hayes, and Mayor Olson. Nays: None. Motion passed 7-0. No one came forward to speak. Councilman Berg moved and seconded by Councilwoman Hollonbeck, **"I move the Council return to Open Session."** Motion passed by voice vote without dissent. Chris Frye was present to answer questions. Councilman Berg moved and seconded by Councilwoman Hollonbeck, **"I move Ordinance 13-4348, 2013 Tax Levy, be adopted."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, McDermott, Rice, Eckhardt, Berg, Hayes, and Mayor Olson. Nays: None. Motion passed 7-0.
- 3) **Ordinance Abating the Taxes Levied for 2013 - Taxable General Obligation Bonds:** In 2010 the Mayor and Council approved an ordinance providing for the issuance of bonds to finance offsite improvements related to the Lighthouse Pointe Subdivision and Route 38 corridor. The City subsequently issued Taxable General Obligation Bonds, Series 2010 (Recovery Zone Economic Development Bonds) in the amount of \$2,940,000. In April of this year, due to federal budget cuts which affected the subsidy available through the Recovery Zone Bond program, the council approved the issuance of General Obligation Refunding Bonds in an amount not to exceed \$3,125,000, which included interest and bond issuance costs. The annual debt service related to these bonds will be paid through TIF revenues, instead of property taxes, when sufficient funds are available. In order to abate the property taxes, the proposed ordinance must be approved annually and forwarded to Lee and Ogle County. Chris Frye was present to answer questions. Councilman Berg moved and seconded by Councilman Eckhardt, **"I move Ordinance 13-4349, An Ordinance abating the taxes heretofore levied for the year 2013 to pay debt service on General Obligation Refunding Bonds (Tax Increment Financing Alternate Revenue Source), Series 2013 of the City of Rochelle, Ogle County, Illinois, be adopted."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, McDermott, Rice, Eckhardt, Berg, Hayes, and Mayor Olson. Nays: None. Motion passed 7-0.

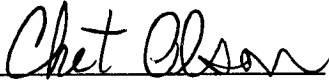
- 4) **Selection of Risk Insurance:** The City of Rochelle's Risk Insurance Plan Year expires annually on December 31st. Since 1997, the City has participated in the Illinois Municipal League Risk Management Association (IMLRMA) property and liability insurance program which covers the following: worker's compensation, auto liability, general liability, portable mobile equipment, and physical damage to auto and property. Similar to last year, staff solicited proposals for providing risk insurance from an alternate broker for the 2014 plan year. This year, Query Insurance Agency partnered with Insurance Program Managers Group (IPMG) to present a proposal using Illinois Counties Risk Management Trust Insurance Program (ICRMT) as the carrier. Staff encouraged both IMLRMA and Query Insurance Agency to provide any recommendations that they felt would help keep the City's risk insurance costs down including deductible changes, claims investigation, regulatory awareness, etc. IMLRMA submitted two renewal options: the "standard" renewal option and the option to continue in the Minimum/Maximum Program. In addition, a \$5,000 deductible level option was added to both the standard and min/max programs which would apply to all types of claims except for Workers Compensation. ICRMT presented a proposal where deductibles vary by coverage as follows: \$1,000 for Crime and General Liability claims (except for Police Liability where a \$10,000 deductible applies); \$1,000 for Portable Mobile Equipment and Auto Physical Damage; \$5,000 for Property Damage; and no deductible for Auto Liability. After reviewing the various plans in terms of cost and other policy differences, staff believes that it is in the City's best interest to stay with IMLRMA and move to the Standard Option with a \$500 deductible. In addition, IMLRMA has committed to honoring the early pay discount of 1.5%, which equates to \$8,993, despite the payment deadline of November 30th. Lynette Fischer was present to answer questions. Also present was Eric Little from IMLRMA. Councilman Rice and Hayes brought up concerns. Mayor Olson stated that he would abstain since he is a director on the IML and IMLRMA Board. Councilman Eckhardt moved and seconded by Councilman McDermott, **"I move Council approve the City of Rochelle's participation in the IMLRMA Standard Option with a \$500 deductible."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, McDermott, Eckhardt, Berg. Nays: Councilmembers Rice and Hayes. Abstain: Mayor Olson. Motion passed 4-2.
- 5) **Illinois Clean Energy Community Foundation Grant - Solar Plant at the Water Reclamation Plant:** In March of this year the Mayor and Council voted to support an application to the Community Solar and Wind Grant Program. This program provides grant funds which support the development and implementation of larger-scale distributed solar energy systems in Illinois. Unfortunately the City was not successful in obtaining a grant through this program. Rochelle Municipal Utilities subsequently applied for a grant through the Illinois Clean Energy Community Foundation to fund up to 60% of the proposed 26 kW solar plant. On November 1st, Business and Financial Analyst Dan Westin was notified that Rochelle was awarded \$63,600 for the solar plant project. According to the United States Environmental Protection Agency, approximately one-third of a municipality's electrical budget is for the wastewater treatment plant. The Rochelle Treatment Plant has an average electric bill of \$15,500 per month and staff is constantly looking at ways to reduce that amount. With that in mind, the treatment plant property has been selected as the location for construction of the solar plant. The solar plant will provide lower costs of purchasing power for the treatment plant, capacity savings in electrical demand and educational opportunities for our community. With notice of the grant, Rochelle Municipal Utilities (RMU) may move forward with the required bid process. The total cost to construct a 26 kW solar plant project is estimated to be approximately \$105,000 with a payback on the City's investment of approximately 73% within the first 10 years. Dan Westin and Kathy Cooper were present to answer questions. Also present was Dale Balder of Heavenly Winds, Inc. Councilman Berg moved and seconded by Councilman Eckhardt, **"I move Resolution R13-19, A Resolution Accepting a Grant from the Clean Energy Foundation for the Installation of a Solar Plant at the Water Reclamation Plant, be Adopted."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, McDermott, Rice, Eckhardt, Berg, Hayes, and Mayor Olson. Nays: None. Motion passed 7-0.

- 6) **American Public Power Association Demonstration of Energy Efficiency Development Grant - Rochelle Municipal Utilities Internship:** Rochelle Municipal Utilities (RMU) is currently pursuing a certification through the American Public Power Association's (APPA's) RP3 program. The RP3 program recognizes utilities that demonstrate high proficiency in reliability, safety, work force development and system improvement. In order to accomplish this goal, RMU has joined the APPA's Demonstration of Energy & Efficiency Development (DEED) Research Section. As a benefit of the DEED membership, RMU applied for a scholarship grant to fund a student internship. On November 26th, Business and Financial Analyst Dan Westin was notified that RMU was awarded the requested \$4,000. The grant will be used for GIS implementation in RMU Customer Service. The intern will work with the Customer Service and Engineering departments in the area of GIS mapping and attribute management to optimize meter replacement tactics and meter reading route efficiency. RMU staff recommends that council approve acceptance of the grant. Dan Westin has been in contact with Northern Illinois University's Geographic Information Systems Department and he believes they have several candidates that would be a fit for this internship. Dan Westin was present to answer questions. Councilwoman Hollonbeck moved and seconded by Councilman McDermott, **"I move Council accept a grant from the American Public Power Association Demonstration of Energy Efficiency Development Program for an Internship to deploy new technologies in utility."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, McDermott, Rice, Eckhardt, Berg, Hayes, and Mayor Olson. Nays: None. Motion passed 7-0.

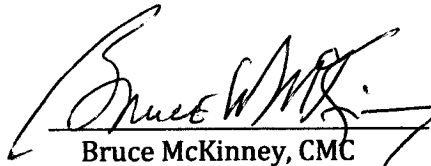
DISCUSSION ITEMS: None

EXECUTIVE SESSION: None

ADJOURNMENT: At 8:03 p.m., moved by Councilman McDermott and seconded by Councilwoman Hollonbeck, **"I move the Council adjourn."** Motion passed by voice vote without dissent.



Chet Olson, Mayor
City of Rochelle



Bruce McKinney, CMC
City Clerk, City of Rochelle