

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
December 10, 2018**

The Rochelle City Council met in Regular Session at 6:30 p.m. on Monday, December 10, 2018 in the Council Chambers of City Hall; 420 N. 6th Street; Rochelle, IL 61068.

PLEDGE TO THE FLAG & PRAYER: The Prayer was said by Pastor Tilley

ROLL CALL: Present on Roll Call was Councilmembers Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Absent: None. A quorum of seven were present. Also present were City Manager Fiegenschuh, City Clerk Sue Messer.

PROCLAMATIONS, COMMENDATIONS, ETC: None.

REPORTS AND COMMUNICATIONS:

- Mayor
 - Appoint James F. May as a Voting Member to the Police and Fire Commission Term 12/10/18-07/01/19. Motion made by Councilman Hayes and seconded Councilman D. McDermott, **“I move the council approve the Mayor’s appointment of James F. May as a Voting Member to the Police and Fire Commission with a term of December 10, 2018- July 1, 2019.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None Motion passed 7-0.
 - Thanked all who were involved in the Christmas Walk, including the volunteers and Bearrows Real Estate & Auction Co for the Gratitude Award given to the Golden K, Kiwanis & Dennis Swinton.
 - Recognized Jeff Leon for being nominated to the Illinois Basketball Coaches Association Hall of Fame for journalism covering local sports.
- Council Members
 - Councilwoman Shaw-Dickey complimented on the phenomenal Downtown Christmas decorations, the Street Dept. truck was great!
 - Councilman Bearrows wished a very Merry Christmas to all staff & those on call.
- Remarkable Resident was not present.
- Good News Award – Street Dept. crew for all their assistance in the countless hours of the Christmas decorations.

PUBLIC COMMENTARY: Fran Volz spoke on a 1% art budget proposal. Schaumburg sets aside 1% of their budget each year for permanent art exhibits. Suggested forming a commission to select how funds are spent and requesting public /artists to come forward with ideas.

BUSINESS ITEMS:

1) CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:

- a) Approve Minutes of City Council Meeting – November 26, 2018
- b) Approve Minutes of Special City Council Meeting – November 19, 2018
- c) Accept and Place on File Minutes of Golf Course Advisory Board Meeting – 9/24/18
- d) Approve Exceptions – 11/21/18-12/3/18
- e) Approve Bills – 12/4/18
- f) Approve Payroll – 11/19/18-12/2/18

Motion made by Councilor Bearrows and seconded by Councilor Shaw-Dickey, **“I move Consent Agenda Items (a) through (f) be approved by Omnibus Vote as recommended.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.

- 2) **Ordinance Approving a First Amendment to Annexation Agreement with Hub City Development, LLC (Public Hearing and Action).** Motion made by Councilor D. McDermott and seconded by Councilor Bearrows, **“I move the Council recess into a Public Hearing for a First Amendment to an Annexation Agreement with Hub City Development, LLC.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0. As a result of the Love's Travel Stops & Country Stores development to the west, the 2010 annexation agreement with Hub City Development, LLC has been amended to include updates on the extension of utilities and multi-use path, payment for connection to sewer and water, an adjusted recapture fee consistent with the then uses at Lots 1, 2, and 3, and the corresponding PE calculations, as determined by City Engineers, improvements and widening of Steward Road, dedication of Right of Way and utilities easement to the City. Hub City Development, LLC is no longer required to fund traffic studies or the installation of traffic lights at the intersection of Steward Road and Route 251. Michelle Pease was available for questions. There were no comments from the public. Motion made by Councilor D. McDermott and seconded by Councilor Bearrows, **“I move the Council return to open session.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0. Motion made by Councilor D. McDermott and seconded by Councilor Bearrows, **“I move Ordinance 18-4937, an Ordinance Approving a First Amendment to Annexation Agreement with Hub City Development, LLC, be approved.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.
- 3) **Ordinance Approving the Preliminary and Final Plat for Hub City Development LLC's Steward Road Commercial Development.** In 2010, the City entered into an annexation agreement with Hub City Development, LLC for a 48-acre parcel of land on the north side of Steward Road east of Route 251 and west of S. Main St. In April 2018, the Planning & Zoning Commission and City Council amended the Zoning map to zone the property B-2. Since that time, Hub City Development has petitioned the City of Rochelle to amend the current annexation agreement to include 3 lots. Hub City Development has provided a preliminary and final plat of subdivision for 3 lots. Lot one is 13 acres zoned B-2 Commercial Highway, lot 2 is 12 acres zoned B-2 and lot 3 will be an out lot that is undeveloped. The purpose of subdividing the lots allows the petitioner to develop the property for future expansion of Commercial Development. Notice of public hearing was published on October 18, 2018. The City of Rochelle Planning & Zoning Commission held a public hearing on November 5, 2018 and approved the subdivision, preliminary & final plat. On October 22, 2018, the Rochelle City Council held a public hearing as well. Michelle Pease was available to answer questions. Motion made by Councilor D. McDermott and seconded by Councilor Shaw-Dickey, **“I move Ordinance 18-4938, an Ordinance Approving the Preliminary and Final Plat for Hub City Development LLC's Steward Road Commercial Development, be approved.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.
- 4) **Budget Fiscal Year 2019 (Public Hearing and Adoption).** Motion made by Councilor T. McDermott and seconded by Councilor D. McDermott, **“I move the Council recess into a Public Hearing for the Fiscal Year 2019 Budget.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0. The City of Rochelle held a Committee of the Whole meeting on November 19th. to discuss the upcoming 2019 budget. During the meeting, the City Manager presented a PowerPoint highlighting the 2019 budget and answered specific questions on various line items. The City Clerk published a Public Hearing Notice, as required by State law, to consider adoption of the budget at the December 10th City Council Meeting. Final action on the 2019 Budget is required on or before December 28, 2018 to be filed with Ogle and Lee Counties. The final Proposed 2019 General Fund revenues are budgeted at \$10,992,833. This represents an increase of approximately 15% compared to the approved 2018 budget. Budgeted expenses total \$10,992,296 which is approximately 16% higher than the 2019 budget. This results in a budget surplus of \$537. The combination of the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Trust and Agency Funds, and Capital Project Funds results in budgeted revenues of \$88,873,482 and budgeted expenses of \$95,390,130. Illinois statutes require that the City conduct a public hearing on the proposed budget to allow citizens the opportunity to provide comments. After the Council returns to regular session, members of the Council can propose modifications to the proposed budget, each of which will be voted on by the Council. The proposed budget as amended will then be subject to a final Council vote for approval. City Manager Jeff Fiegenschuh was present to answer questions. There were no public comments. Motion made by Councilor D. McDermott and seconded by Councilor Shaw-Dickey, **“I move the Council return to open session.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0. Motion made by Councilor Bearrows and seconded by Councilor Burke, **“I move the Council approve the Fiscal Year 2019 Budget.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.

- 5) **2019-2023 Capital Improvement Plan.** The City's Capital Improvement Plan (CIP) is a multi-year planning instrument for the evaluation and identification of the capital infrastructure projects in need of renovation, repair, and/or construction along with the equipment or vehicle replacement over the next five years. The CIP relates these projected capital needs to the financial sources that will support their realization and the timeframe in which the financing and work will take place. Capital improvement programming is the process by which these capital projects are identified, prioritized, and selected, and thus are incorporated into the long-range fiscal and strategic planning of the City. The Capital Improvement Plan document is different from the annual budget as it sets forth a five-year program. The first year's program contains projects that are included in the 2019 City of Rochelle Budget. The remaining four years reflect staff's recommended priorities for the future. City Manager Jeff Fiegenschuh was present to answer any questions. Motion made by Councilor Bearrows and seconded by Councilor D. McDermott, "**I move the Council approve the 2019-2023 Capital Improvement Plan.**" Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.
- 6) **Resolution Establishing Minimum/Maximum Wage Rates for Fiscal Year 2019.** The Municipal Code of the City of Rochelle requires that the City Council annually approve a resolution establishing the minimum/maximum wage rates for all position classifications within the City. The proposed resolution applies to all employees and is based on job categories as defined by the Equal Employment Opportunity Commission. The rates included in this resolution are consistent with those that were incorporated into the City Budget for Fiscal Year 2019. Nancy Bingham was available to answer questions. Motion made by Councilor T. McDermott and seconded by Councilor Burke, "**I move Resolution R18-42, a Resolution Establishing Minimum/Maximum Wage Rates for Fiscal Year 2019, be approved.**" Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.
- 7) **Ordinance Approving a Third Amendment to an Intergovernmental Agreement between the City of Rochelle and the Flagg-Rochelle Community Park District (Rochelle Golf Course Property).** When reading through the current agreement between the City and the Park District, which concerns the oversight and operations of the golf course, City Manager noticed language in the contract that dictates the Golf Course Superintendent is hired by the City but reports to the Park District ED. This is inconsistent with the current practice and counter to the current form of government. City Manager met and discussed this issue with the Executive Director of the Park District and several of their commissioners. With the new agreement, the updated language allows the City Manager, along with input from the Executive Director of the Park District, the authority to hire and release the Golf Course Superintendent. The language also gives the park district input on the operations of the golf course. The Park District formally approved the agreement at their November meeting. City Manager Jeff Fiegenschuh was present to answer questions. Motion made by Councilor D. McDermott and seconded by Councilor Shaw-Dickey, "**I move Ordinance 18-4941, an Ordinance Approving a Third Amendment to an Intergovernmental Agreement between the City of Rochelle and the Flagg-Rochelle Community Park District (Rochelle Golf Course Property), be approved.**" Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.
- 8) **Ordinance Approving a Three-Year Property Tax Rebate Program for New Single-Family Home Construction.** In an effort to encourage more diversified housing developments, the City wishes to reimburse individuals who construct new single-family homes and pay the City's share of real estate property taxes for tax years 2018 and 2019. The reimbursements will only be paid to individuals who maintain tax liability for newly constructed single-family homes within the City who demonstrate that they (or their mortgage company) have paid 2018 and/or 2019 real estate property taxes in full, and who certify that they have no prior year property taxes outstanding. Michelle Pease was available to answer questions, will be market and promote the program. Michelle Pease was available to answer questions. Motion made Councilor Bearrows and seconded by Councilor Burke, "**I move Ordinance 18-4942, an Ordinance Approving a Three-Year Property Tax Rebate Program for New Single-Family Home Construction, be approved.**" Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.

- 9) **Ordinance Waiving the Competitive Bidding Requirements and Awarding Mechanical, Inc. Contracts for the Purchase and Installation of a New Heating boiler and HVAC Controls/Energy Improvements.** As discussed at the August 20th Budget Workshop, the heating and cooling equipment in the older portion of city hall is in dire need of an upgrade. The air handling units are past the equipment life standards (including one with a ruptured heating coil), the system is inefficient, and it lacks the ability to control the heating/cooling needs by hour and day. In addition, the existing 1940 boiler is estimated to be less than 50% efficient. The City has been making improvements to the city hall heating and cooling systems since 2013. Initially, Mechanical, Inc. was hired to furnish and install controllers and materials to integrate two split systems, that were no longer supported, into one control system to serve the 1st and 2nd floors of the administrative wing of city hall. In 2014 Mechanical, Inc. was hired again to furnish and install controllers, space sensors, etc. for the unit that serves the lower level conference center and integrate the system into the existing control system. In 2013, 2015 and 2018 the city requested quotes from Mechanical, Inc. to update the HVAC controls and make energy improvements in the older portion of city hall. The budgets in 2013 and 2015 did not allow for the improvements to proceed. The proposed 2019 budget includes \$382,000 in the municipal building, based on the latest proposals from Mechanical, Inc., to overhaul the air handling units and replace the condensing units on them, furnish and install a new hot water heating coil, add DDC controls to the boiler, convert the duct reheat to variable air volume, replace pneumatic stats with pneumatic wireless stats, and replace the existing boiler with an 87.3% efficient boiler. Control integration is also included in the project proposals. Due to the long-standing relationship with Mechanical, Inc. and their knowledge of our building, lack of a vendor within the city that specializes in this type of project, importance of having a single control system and vendor to work with going forward and cost associated with engineering this project to go out for bid (estimated at \$35,000-\$50,000) staff recommends approving the proposals as provided by Mechanical, Inc. without competitive bidding. If approved, we plan to proceed with Option #3 of the HVAC Controls proposal at a cost of \$234,595 and Option #1 of the Boiler Replacement proposal at a cost of \$141,760. The project would begin in early 2019 and is expected to take place off and on over a span of approximately 6 months. Sue Messer was available for questions. Motion made Councilor Bearrows and seconded by Councilor Shaw-Dickey, **“I move Ordinance 18-4943, an Ordinance Waiving the Competitive Bidding Requirements and Awarding Mechanical, Inc. Contracts for the Purchase and Installation of a New Heating boiler and HVAC Controls/Energy Improvements, be approved.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.
- 10) **Ordinance Approving a Redevelopment Agreement with Errett Warehousing, LLC – 115 5th Avenue.** Errett Warehousing, LLC is the owner of the property located at 115 5th Avenue, formerly known as the Behr Recycling Center. Errett Warehousing, LLC has requested reimburse for a portion of the redevelopment project costs incurred from the project as permitted by the TIF Act. The proposed redevelopment consists of repairing the existing roof on the primary building, installation of a new roof on the approximately 8,400 square feet building located on the north side and clearing and disposing of the non-attached concrete and precast materials located in the large parking area. If approved, Errett Warehousing, LLC will be allowed the reimbursement of 50% of the Incremental Taxes of the from their property only. Errett Warehousing, LLC will be reimbursed eligible incurred project costs authorized per the redevelopment agreement not to exceed \$437,200.00. Michelle Pease was available for questions. Motion made by Councilor D. McDermott and seconded by Councilor Shaw-Dickey, **“I move Ordinance 18-4944, an Ordinance Approving a Redevelopment Agreement with Errett Warehousing, LLC – 115 5th Avenue, be approved.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.
- 11) **Resolution Updating Rider 1 – Power Cost Adjustment Clause (“PCA”) for Electric Utility Services.** For the purpose of helping to stabilize rates, the energy charges to electric customers taking service under a rate where the rider applies shall be subject to a positive or negative power cost adjustment charge for each \$.0001 or major fraction thereof by which the average cost of power per kWh purchased is greater or lesser than the base cost of power purchased and generated for the system during the preceding 12 months. The base cost of power purchased and generated is 6.53 cents (\$.0653) per kWh. PCA adjustments shall be made at the discretion of the City Manager and shall be no greater than 2 cents on both the high end and low end. Jason Bird was available for questions. Motion made by Councilor D. McDermott and Councilor Burke, **“I move Resolution R18-43, a Resolution Updating Rider 1 – Power Cost Adjustment Clause (“PCA”) for Electric Utility Services, be approved.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.

- 12) **Resolution Waiving the Competitive Bidding Requirements and Awarding Ferguson Enterprises, Inc. the Contract to Provide Back Office Administrative Support.** Rochelle currently maintains 3,755 water meters which are comprised of several different manufacturers. Recently, council approved the purchase of a Neptune communications antenna and will be installing approximately 1,000 water meters per year. Ferguson Water Works, who distributes our meters, offers an administrative service to schedule with the homeowner the meter replacement and track progress at a cost of \$25/meter. We plan to do the physical installation in house but use Ferguson to handle the administrative side of this project for 2019. Adam Lanning was available to answer questions. Motion made by Councilor Shaw-Dickey and seconded by Councilor Bearrows, **“I move Resolution R18-44, a Resolution Waiving the Competitive Bidding Requirements and Awarding Ferguson Enterprises, Inc. the Contract to Provide Back Office Administrative Support, be approved.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.
- 13) **Resolution Authorizing the Execution of an Escrow Agreement between RFMS, Inc. and the City of Rochelle for the Development of Liberty Village.** A surety in a form acceptable to the City of Rochelle is required in order to execute the Final Plat of subdivision for Manor Court of Rochelle. RFMS has requested the surety be in the form of cash in escrow and staff agrees this is an acceptable form of surety that has been used in the past for subdivision improvements. The surety will cover installation of certain public and onsite improvements as part of the development and final plat. The City attorney has drafted a resolution and agreement for council approval to be executed by the City Manager. Sam Tesreau was available to answer questions. Motion made by Councilor D. McDermott and seconded by Councilor Hayes, **“I move Resolution R18-45, a Resolution Authorizing the Execution of an Escrow Agreement between RFMS, Inc. and the City of Rochelle for the Development of Liberty Village, be approved.”** Roll call vote was taken. Ayes: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.

DISCUSSION ITEMS: None.

EXECUTIVE SESSION: at _____ PM, Councilor Hayes moved and seconded by Councilor D. McDermott, **“I move the Council recess into executive session to discuss purchase or lease of real property for City’s use, Section (c) (5), Setting of a price for sale or lease of property owned by the City, Section (c) (6), Pending or imminent litigation, Section (c) (11) and Discussion of minutes of meetings 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: Bearrows, Burke, Hayes, D. McDermott, T. McDermott, Shaw-Dickey and Mayor Olson. Nays: None. Motion passed 7-0.

At 8:12 PM, moved by Councilor Bearrows and seconded by Councilor Burke, **“I move the Council return to open session.”** Motion passes by voice vote without dissent.

ADJOURNMENT: At 8:13 PM, moved by Councilor Burke and seconded by Councilor D. McDermott, **“I move the Council adjourn.”** Motion passed by voice vote without dissent.

Chet Olson, Mayor

Susan L. Messer
City Clerk, City of Rochelle