

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
November 09, 2020**

The Rochelle City Council met in Regular Session at 6:30 p.m. on Monday, November 9, 2020 in the Council Chambers of City Hall; 420 N. 6th Street; Rochelle, IL 61068.

PLEDGE TO THE FLAG & PRAYER: The pledge and prayer was led by City Clerk Sue Messer.

ROLL CALL: Mayor - On March 16th, due to the COVID-19 pandemic, Governor Pritzker suspended the in-person attendance requirement for public meetings allowing public bodies to conduct meetings electronically without having to comply with the physical quorum requirements or the conditions for participating electronically in a meeting. On March 31st Governor Pritzker extended the order until April 30th. On May 29th Governor Pritzker extended the order until June 27th. On June 26th Governor Pritzker extended the order through July 25th. On July 24th Governor Pritzker extended the order through August 22nd. On August 21st Governor Pritzker extended the order through September 19, 2020. On September 18th Governor Pritzker extended the order through October 17, 2020. On October 16th Governor Pritzker extended the order through November 14th. As a result, Councilman Bil Hayes has notified the City Clerk of his desire to participate remotely. Unless there is a motion objecting to his attendance, the request of the council members will be deemed approved. Present on Roll Call were Councilmembers Burke, Gruben, D. McDermott, and Mayor Bearrows and Councilmember Hayes attended remotely. Absent: None. A quorum of seven were present. City Manager Jeff Fiegenschuh and City Clerk Sue Messer were present.

PROCLAMATIONS, COMMENDATIONS, ETC:

- Veterans Day Proclamation – November 11, 2020
- Community Foundation Week – November 12-18, 2020
- National American Indian Heritage Month – November 2020.

REPORTS AND COMMUNICATIONS:

- Mayor's Report – A virtual ceremony will be held on Wednesday, November 11, 2020 at 11:00am for Veterans Day.
- Council Members-Councilman Hayes impressed with the amount of people who came out to vote.
- Remarkable Resident – Bea Chaplin
- Good News – Sergeant Chet Smith

PUBLIC COMMENTARY: None.

BUSINESS ITEMS:

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

- a) Approve Minutes of City Council Meeting – 10/26/20
- b) Accept and Place on File Minutes of Planning & Zoning Commission – 10/5/20
- c) Approve Exceptions – 10/22/20-11/3/20
- d) Approve Payroll – 10/19/20-11/1/20

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

- 2) **Ordinance Waiving the Competitive Bidding Requirements and Authorizing the City Manager to Negotiate and Enter into Agreements for Enterprise Software and Consulting.** For the past several months, the ERP committee, under the direction of the City Manager, has been researching options for a new software system or Enterprise Resource Planning (ERP) system to address inefficiencies and meet citizen expectations for customer service. For the past 22 years the City has been using the same Caselle software for accounting, utility billing, accounts payable, accounts receivable, inventory and project management. Gaps in system functionality result in significant staff time spent on manual calculations, data entry, and manual tracking of information in addition to lost opportunities for customer service. Ultimately the tools supporting staff and residents is built on technology that is more than 20 years old. During the assessment through evaluating the existing process challenges, the City also identified there was a significant gap in the Street, Cemetery, Water, Water Reclamation, Electric, and IT departments' ability to effectively communicate and collaborate to respond to citizen requests. This gap hinders staff's ability to provide customer service as there is no way for departments to communicate, track and follow up on such requests across departments. The challenge to quickly and efficiently receive, communicate and address complaints, arises from the fact that the City has been using multiple separate stand-alone software programs for inventory, work orders, and asset tracking with none of them integrating with the current software. Using the information gained from the assessment and the subsequent review of its EAM (Enterprise Asset Management) system(s) as well as solutions available on the market, the City identified that the Incode ERP solution and DTS/VUEWorks EAM solutions were the only products that met the City's requirements. Of the other solutions researched, the City identified that each provided some functionality, but only Incode and VUEWorks met all of the City's needs while controlling implementation and ongoing cost. Mary Smith from Group Baecore gave a presentation. Finance Director, Chris Cardott and Director of Utility Finance & Payroll Manager, Sarah Brooks were available for questions. Motion made by Councilor D. McDermott and seconded by Councilor Shaw-Dickey, "**I move Ordinance 20-5171, an Ordinance Waiving the Competitive Bidding Requirements and Authorizing the City Manager to Negotiate and Enter into Agreements for Enterprise Software and Consulting, be approved.**" Roll call vote was taken. Ayes: Burke, Gruben, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: Hayes. Motion passed 6 -1.
- 3) **Resolution Approving a Contract Operator Services Agreement between the Burlington Junction Railway, Inc and the City of Rochelle.** The switching services contract between the Burlington Junction Railway (BJRY) and the City of Rochelle Railroad will expire on December 31st, 2020. Over the past year the City engaged Strategic Rail Finance (SRF) to conduct a study which was designed to outline for the City, a comparison of the current switching contract with current market conditions. This study has acted as a guide for the City to formulate a new contract. Highlights of the new contract include:
- Guaranteed annual revenue share to the City is \$1,000,000
 - Commitment of up to 5% of gross revenue for marketing and promotion of the City of Rochelle Railroad
 - City's revenue share of switching services increased from 40% to 50% on a sliding scale (see Exhibit A in the contract)
 - A \$1,000,000 capital fund is established by BJRY that can be used by the City to further expand the railroad system.
 - Rochelle Transloading Center Revenue for use of the RTC 100% belongs to the City
 - 10-year contract, which is the same as the last full contract that was approved in 2004.
- Economic Development Director, Jason Anderson was available for questions. Motion made by Councilor T. McDermott and seconded by Councilor Gruben, "**I move Resolution 20-38, a Resolution Approving a Contract Operator Services Agreement between the Burlington Junction Railway, Inc. and the City of Rochelle, be approved.**" Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0.

- 4) **Ordinance Approving the Preliminary and Final Plat of Subdivision for the Hartnett Subdivision.** Pipe 77, LLC petitioned to subdivide the property located at 1320 N. 7th Street. The property is zoned B2 and fronts the west side of IL Hwy. 251. The back side of the property is adjacent to the East side of north extended 8th Street. Presently, Tire Tracks operates in one of the three buildings located on the entire parcel. Other uses present include service, sales and storage of automobiles. The purpose of subdividing is to divide one approximately 1.443-acre parcel into two lots to allow for separate ownership. The proposed front lot, containing the commercial building would be 0.832 acre and the proposed back lot, containing two sheds would be 0.611 acre. The proposed subdivision meets the minimum lot requirements found in Section 110-321 of the Rochelle Municipal Code. The access points will not change. Wendler Engineering Services developed a preliminary and final plat of subdivision on behalf of Pipe 77, LLC for a two-lot subdivision with easements. The proposed subdivision would have the name “Hartnett Subdivision”. City staff and the Planning and Zoning Commission have reviewed the preliminary and final plat for conformance with the comprehensive plan, the provisions hereof, and all other applicable city ordinances. Pursuant to 65 ILCS 5/11-12-8, the Planning and Zoning Commission shall recommend or not recommend the approval of the preliminary and final plat within 90 days of the application. A public hearing was held on Monday, November 2, 2020. The Planning and Zoning Commission voted to approve the Preliminary and Final Plat of Subdivision by a vote of 7 to 0. Community Development Director, Michelle Pease and Tom Hartnett Sr. and Tom Hartnett Jr. were available for questions. Motion made by Councilor Burke and seconded by Councilor T. McDermott, **“I move Ordinance 20-5172, an Ordinance Approving the Preliminary and Final Plat of Subdivision for the Hartnett Subdivision, be approved.”** Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0.
- 5) **Resolution Authorizing the Execution of a Deferment Agreement with Pipe 77, LLC.** Pipe 77 is the owner of a .611-acre parcel located at 1320 N 7th Street (24-13-326-003) that includes frontage of 209 feet along North 8th Street. The parcel does not contain easements for water, sewer or gas. This parcel would require water and sanitary sewer connections from North 7th Street. The property was subdivided from the parcel to the East, which has utility connections. After the subdivision, the property will no longer have water and sewer. Per City Code which governs the subdivision, redevelopment, and use of the property including Sections 98- 103(b)(3) and 98-153(d) of the Rochelle Municipal Code, requiring the developer to extend the water main and sewer main to the property line of the premises to be served, and Section 86-52, requiring the developer to post certain security for the construction of public improvements. Pipe 77 has represented to the City that the present use of the property does not require water or sewer service, and has requested that its obligation to extend the water main and sewer main from North 7th Street to the property be deferred until the City requires it for future redevelopment of the property or other use of the property, other than indoor storage in the existing buildings, or Pipe 77 desires it for their use of the property, whichever date comes first. Per the agreement, when Pipe 77 will desire sewer and water for their use of the property or when Pipe 77, at its discretion may change the use of the property to something other than storage, Pipe 77 shall not be obligated to post security for 110% of the estimated cost of such extension, as required by Section 86-52 of the Rochelle Municipal Code. Michelle Pease was available for questions. Motion made by Councilor Gruben and seconded by Councilor Burke, **“I move Resolution 20-39, a Resolution Authorizing the Execution of a Deferment Agreement with Pipe 77, LLC, be approved.”** Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0.
- 6) **Ordinance Amending Section 6-46 of the Municipal Code to Delete One Class U Liquor License for Artists’ Garden and Ordinance Amending Section 6-46 of the Municipal Code to Create One Class R-3 Liquor License for Acres Bistro.** Artists’ Garden at 407 Lincoln Highway in Rochelle has notified the City that they plan to surrender their liquor license effective upon the issuance of a license to Acres Bistro. Acres Bistro has submitted application for a Class R-3 liquor license at the same location. The Class R-3 liquor license allows for the retail sale of alcoholic liquor by restaurants, with a bar, for consumption on the premises. The Liquor Commissioner, Mayor Bearrows, has reviewed the application and has no objection to the deletion of a Class U liquor license for Artists’ Garden. and the creation of a Class R-3 liquor license for Acres Bistro. These actions will result in a total of eight Class R-3 liquor licenses in the City of Rochelle. Sue Messer and Teresa Petry were available for questions. Motion made by Councilor T. McDermott and seconded D. McDermott, **“I move Ordinance 20-5173, an Ordinance Amending Section 6-46 of the Municipal Code to Delete One Class U Liquor License for Artists’ Garden, be approved.”** Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0. Motion made by Councilor D. McDermott and seconded by Councilor Gruben, **“I move Ordinance 20-5174, an Ordinance Amending Section 6-46 of the Municipal Code to Create One Class R-3 Liquor License for Acres Bistro, be approved.”** Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0.

- 7) **Ordinance Amending Section 6-46 of the Municipal Code to Delete One Class S Liquor License for Stop N Go and Ordinance Amending Section 6-46 of the Municipal Code to Create One Class S Liquor License for Kwik Trip, Inc. d/b/a Kwik Star #1530.** Kwik Trip, Inc. has notified the City that they are in the process of purchasing convenience stores from Rockford Stop N Go, Inc., including the one located at 1000 South 7th Street in Rochelle. Stop N Go has executed a Surrender of License Agreement acknowledging that they plan to surrender their Class S liquor license effective upon the consummation of the sales transaction scheduled to be finalized the week of December 7, 2020. Kwik Trip, Inc. has submitted an application for a Class S liquor license at the same location effective upon the purchase of the business. The Class S liquor license allows for the retail sale of packaged beer and wine only, not for consumption on the premise where sold, for businesses known as fueling/gas stations/convenience stores. The Liquor Commissioner, Mayor Bearrows, has reviewed the application and has no objection to the deletion of a Class S liquor license for Stop N Go and the creation of a Class S liquor license for KwikTrip, Inc. d/b/a Kwik Star #1530. These actions will result in a total of two Class S liquor licenses in the City of Rochelle. Sue Messer was available. Motion made by Councilor D. McDermott and seconded by Councilor Burke, **“I move Ordinance 20-5175, an Ordinance Amending Section 6-46 of the Municipal Code to Delete One Class S Liquor License for Stop N Go, be approved.”** Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0. Motion made by Councilor Hayes and seconded by Councilor Burke, **“I move Ordinance 20-5176, an Ordinance Amending Section 6-46 of the Municipal Code to Create One Class S Liquor License for Kwik Trip, Inc. d/b/a Kwik Star #1530, be approved.”** Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0.
- 8) **Ordinance Waiving Liquor License Renewal Fees for 2021.** The COVID 19 outbreak and actions taken to reduce the spread have led to significant challenges for the City’s liquor license holders. Currently, all existing liquor licenses must be renewed by December 31st or they will expire. Staff recommends that council waive the renewal fees for all liquor licenses for calendar year 2021. This action will bring some relief to our local liquor establishments. Taking this action will result in a decrease of approximately \$37,000 in revenues for fiscal year 2021. Sue Messer was available for questions. Motion made by Councilor Burke and seconded by Councilor D. McDermott, **“I move Ordinance 20-5177, an Ordinance Waiving Liquor License Renewal Fees for 2021, be approved.”** Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0.
- 9) **Resolution Approving Dis-Tran Packaged Substation’s Bid Pursuant to the Prologis Park Substation Equipment Purchase Bid.** The City received and opened bids on October 7th, 2020 for the equipment purchase of breakers, switches, steel, CCVT and insulator as part of the Prologis Park Substation project. A total of two (2) bids were received and have been reviewed for completeness and ability to meet specification requirements. The bid from Dis-Tran was the apparent low bid of \$578,749 with a 10% contingency for Specification 2031K003, no major exceptions were listed. Dis-Tran has a good list of reference completed projects. The company appears to be in good standing and employs certified and trained craftsmen. The low bid for the project is in accordance with the Engineer’s estimate of \$572,000 for the contract. Utilities Superintendent, Adam Lanning and Jeff Fiegenschuh were available for questions. Motion made by Councilor T. McDermott and Councilor Shaw-Dickey, **“I move Resolution 20-40, a Resolution Approving Dis-Tran Packaged Substation’s Bid Pursuant to the Prologis Park Substation Equipment Purchase Bid in the amount of \$578,749 plus a 10% contingency, be approved.”** Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0.
- 10) **Resolution Establishing Utility Services Price Schedules for Rate Class 130 and Rate Class 140.** Utility Financial Solutions conducted a cost of service and rate design study of the current electric rates. The study included a thorough review of the rate design in comparison to the actual cost of service. In the last couple of years, there have been a few changes that have positively impacted the cost of power and electric rates. As a result of the rate study, we can to provide a 9% rate reduction to our Small General Service rate 130 which includes most of our commercial, retail, and other lite industrial customers. The Small General Service rate 140 will also have a 1% decrease; only a few commercial customers are under this rate. Adam Lanning was available to questions. Motion made by Councilor D. McDermott and Councilor Burke, **“I move Resolution 20-41, a Resolution Establishing Utility Services Price Schedules for Rate Class 130 and Rate Class 140, be approved.”** Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0.

- 11) **Ordinance Adopting 2020 Property Tax Levy.** 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 \$254,870,696 and its property tax rate was 1.024840 per \$100 of EAV. The City collected \$2,612,016.84 in property taxes. For 2020, Ogle County has estimated the City's EAV at \$271,126,394 which is an increase of over \$16 million. The proposed levy calculation options would result in the City collecting \$2,737,794 in property taxes, an increase of 4.95% (excluding the bond). Based on the estimated EAV, the tax rate would decrease .015055 per \$100 EAV for the 4.95% option. The proposed 2020 levy includes funding the Police and Fire Pension Funds as recommended by the City's actuarial studies. Jeff Fiegenschuh was available for questions. Motion made by Councilor T. McDermott and Councilor Gruben, "**I move Ordinance 20-5178, an Ordinance Adopting 2020 Property Tax Levy, be approved.**" Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0.
- 12) **Ordinance Abating the Taxes Levied for 2020 - Taxable General Obligation Bonds Series 2013.** 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 2013, 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 is being paid through TIF revenues, instead of property taxes, when sufficient funds are available. To abate the property taxes, the proposed ordinance must be approved annually and forwarded to Lee County and Ogle County. Jeff Fiegenschuh was available for questions. Motion made by Councilor D. McDermott and Councilor Shaw-Dickey, "**I move Ordinance 20-5179, an Ordinance Abating the Taxes Levied for 2020 - Taxable General Obligation Bonds Series 2013, be approved.**" Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0.
- 13) **Ordinance Abating the Taxes Levied for 2020 to Pay the Principal of and Interest on \$4,500,000 General Obligation Bonds (Alternate Revenue Source), Series 2018 of the City of Rochelle.** In 2018, the Mayor and Council approved an ordinance providing for the issuance of bonds to finance infrastructure improvements. The City subsequently issued General Obligation Bonds (Alternate Revenue Source), Series 2018 in the amount of \$4,500,000. The annual debt service related to these bonds is being paid through the Capital Improvement Fund from a transfer from the Non-Home Rule Sales Tax Fund instead of property taxes, when sufficient funds are available. To abate the property taxes, the proposed ordinance must be approved annually and forwarded to Lee County and Ogle County. Jeff Fiegenschuh was available for questions. Motion made by Councilor Gruben and Councilor Burke, "**I move Ordinance 20-5180, an Ordinance Abating the Taxes Levied for 2020 to Pay the Principal of and Interest on \$4,500,000 General Obligation Bonds (Alternate Revenue Source), Series 2018 of the City of Rochelle, be approved.**" Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0.

DISCUSSION: 2020 Business Community Survey Report. The Rochelle Retail Advisory Board (RAB) in partnership with Kishwaukee College and the Small Business Development Center (SBDC) at Waubensee Community College created an online survey via Survey Monkey to determine the challenges of COVID-19 on local businesses and how the Retail Advisory Board, City of Rochelle, and the two Colleges might offer targeted support during this unprecedented time of small business closures and work restrictions. 69 Area businesses representing commercial and retail, industry, professional services, financial institutions, healthcare, entertainment, transportation, hospitality, non-profit, government, and technology sectors responded to the seven-question survey. Peggy Friday provided information on the survey result.

EXECUTIVE SESSION: at 8:54 PM, Councilor D. McDermott moved and seconded by Councilor Burke, **“I move the Council recess into executive session to discuss pending or imminent litigation Section (c) (11), and 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: Councilor Burke, Gruben, Hayes, D. McDermott, T. McDermott, and Shaw-Dickey and Mayor Bearrows. Nays: None. Motion passed 7-0

ADJOURNMENT: At 9:12 PM, moved by Councilor Burke and seconded by Councilor D. McDermott, **“I move the Council adjourn.”** Roll call vote was taken. Ayes: Burke, Gruben, Hayes, D. McDermott, T. McDermott, Shaw-Dickey, and Mayor Bearrows. Nays: None. Motion passed 7-0.

John Bearrows, Mayor

Susan L. Messer
City Clerk, City of Rochelle