

**ROCHELLE CITY COUNCIL  
REGULAR COUNCIL MEETING MINUTES  
MONDAY, APRIL 13, 2009**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, April, 2009 in the Council Chambers of City Hall; 420 N. 6<sup>th</sup> Street; Rochelle, IL 61068.

**PLEDGE TO THE FLAG:** The Pledge of Allegiance: led by Girl Scout Troop #166.

**PRAYER:**

**ROLL CALL:** Present on Roll Call were Councilmembers Hayden, Colwill, Hollonbeck, Eckhardt, Berg, Hayes, and Mayor Olson. Absent: None. Also present were Ken Alberts, City Manager and Bruce McKinney, City Clerk.

**PROCLAMATIONS:**

- Hubs Go Green Week, April 18-April 24, 2009: Read by Clerk McKinney. Girl Scout Troop #166 was present to accept the proclamation from the Mayor.
- Administrative Professionals Week, April 19-April 25, 2009: Read by Clerk McKinney.
- Telecommunicator Week, April 12-April 18, 2009: Read by Clerk McKinney. Some of the P.D. dispatchers were on hand to accept the proclamation from the Mayor.

**REPORTS AND COMMUNICATIONS:**

- **Mayor:**
  - The swearing in of the council recently voted in will be May 1<sup>st</sup> at 8:00 a.m.
  - Rotary International members from Brazil recently visited and toured the City of Rochelle.
  - Phil Keoghan of the Amazing Race is riding a bicycle across America for national awareness for MS, with numerous sponsors. One of his stopping points is Rochelle on April 22<sup>nd</sup> and leaving on April 23<sup>rd</sup>. There will be a public meeting at Gazebo Park to welcome him and promote his cause.
- **Council Members:**

**BUSINESS ITEMS:**

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

- a) Approve Minutes of City Council Meeting – March 23, 2009;
- b) Accept Minutes of Planning and Zoning Commission – March 2, 2009;
- c) Accept Minutes of Special Planning and Zoning Commission – March 16, 2009;
- d) Approve Bills/Payrolls for the first half of April, 2009;
- e) Authorize Rochelle Lioness Club Tootsie Pop fund raiser;
- f) Authorize the use of City streets for the Hospital Hustle 5K Fun Run/Walk;
- g) Authorize the Downtown Rochelle Association to use the Gazebo on June 20, 2009 for Maxwell Street Days;
- h) Resolution (R09-11) for the Lincoln Highway Heritage Festival Parade – August 23, 2009;
- i) Authorize the use of City Hall for National Day of Prayer – May 7, 2009.

Moved by Councilwoman Hollonbeck and seconded by Councilman Berg, **“I move Consent Agenda Items (a) through (i) be approved by Omnibus Vote as Recommended.”** Roll call vote was taken. Ayes:

Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, Berg, Hayes, and Olson. Nays: None. Motion passed 7-0.

**Public Hearing – Community Development Assistance Program (CDAP) Grant – Project:** The Economic Development Department has been informed that an existing company is considering a 135,000 sq ft. expansion of its operations in Rochelle. A grant application has been submitted and tentatively approved for \$720,000 by the Community Development Assistance Program based on projected employment provided by Project Buffer. The grant funds will be used to expand the capacity of the sanitary sewer infrastructure that serves the facility. As part of the grant process the Mayor and City Council are required to approve a resolution which authorizes submittal of the application. The CDAP grant, if successful, will enable the City to meet the expansion needs of Project Buffer as well as future development in the area by providing a larger, gravity sanitary sewer system.

Moved by Councilman Berg and seconded by Councilwoman Hollonbeck, **“I move the Council recess into a Public Hearing for CDAP Project Buffer.”** Roll call vote was taken. Ayes: Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, Berg, Hayes, and Olson. Nays: None. Motion passed 7-0. Public Commentary: Kathy Pignato asked if they don’t receive this money, is there a back-up plan. Mr. Alberts answered that they would still be able to serve that business but not as reliable or with as much capacity. Moved by Councilman Colwill and seconded by Councilwoman Hollonbeck, **“I move the Council return to Open Session.”** Motion passed by voice vote without dissent.

Moved by Councilman Berg and seconded by Councilman Hayden, **“I move Resolution R09-12, A Resolution Authorizing Submittal of Community Development Assistance Program (CDAP) Grant Application, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, Berg, Hayes, and Olson. Nays: None. Motion passed 7-0.

- 2) **Annexation Agreement Amendment – Kings Crossing:** An Annexation Agreement between the City of Rochelle and Wyndham Foxford, LLC related to the Kings Crossing Development was approved by the Mayor and City Council on April 10, 2006. A notice of Public Hearing to address an Annexation Agreement Amendment was published on March 29, 2009 in the Rochelle News Leader. Due to on-going negotiations Wyndham Foxford, LLC has requested that the Mayor and City Council postpone the Public Hearing for the Annexation Agreement Amendment until April 27, 2009. As there were people present for a public hearing, they still had it. Moved by Councilwoman Hollonbeck and seconded by Councilman Berg, **“I move the Council recess into a Public Hearing for Annexation Agreement Amendment for Kings Crossing.”** Roll call vote was taken. Ayes: Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, Berg, Hayes, and Olson. Nays: None. Motion passed 7-0. Present for Public Commentary was Richard Gerard, representing the developer/owner of the property. Explained property annexation of 5 acres. As there was no more public commentary, Clerk McKinney suggested continuing the hearing to another date. Moved by Councilman Berg and seconded by Councilman Hayden, **“I move the Council continue the Public Hearing until April 27, 2009 Council Meeting and return to Open Session.”** Motion passed by voice vote without dissent.
- 3) **Fiscal Year 2009-10 Budget – Public Hearing and Adoption:** The Preliminary Budget has been prepared and was submitted to the City Council on March 17, 2009. A Committee of the Whole Budget Workshop was held on March 30, 2009 to review the budget and answer questions. The date for the Public Hearing, required by State law, was set for April 13th. Final action on the Budget is required on or before April 30<sup>th</sup>. The Preliminary 2009-10 Budget has been available for public inspection since March 17th. The only modifications to the budget originally presented on March 17, 2009 are the inclusion of an additional Line Person in the Electric Department, an additional officer in the Police Department, and some minor revisions to the salaries budgeted in Economic Development and Communications. As a result of these modifications the total expenditures in the budget increased by \$113,590, total revenues increased by \$48,054 due to funds available through the Community Oriented Police Services Grant Program, for a net increase in expenditures of \$65,536. The City Council is required to conduct a Public Hearing before considering action on the Budget. The City Council may modify or adopt the Budget, as it deems appropriate. Chris Frye, Administrative Services Director was present to give an update on the budget, regarding changes.  
  
Moved by Councilman Eckhardt and seconded by Councilman Berg, **“I move the Council recess into a Public Hearing for the Fiscal Year 2009-2010 Budget.”** Roll call vote was taken. Ayes: Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, Berg, Hayes, and Olson. Nays: None. Motion passed 7-0.  
  
Jeff Pignato enquired as to how the new police officer would be paid at the end of the 3-year grant money. City Manager Alberts stated that the City’s General Fund would pay the salary. Moved by Councilman Colwill and seconded by Councilwoman Hollonbeck, **“I move the Council return to Open Session.”** Motion passed by voice vote without dissent. Moved by Councilman Berg and seconded by Councilman Hayden, **“I move Budget 09-3798, The Fiscal Year 2009-10 Budget, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, Berg, Hayes, and Olson. Nays: None. Motion passed 7-0.
- 4) **Resolution Establishing Minimum/Maximum Wage Rates for Fiscal Year 2009-10:** The Municipal Code requires that the City Council annually approve a resolution establishing minimum/maximum wage rates for all position classifications within the City. The proposed wage rate resolution is identical to the resolution approved on April 28, 2008. It 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 approved City Budget for Fiscal 2009-10. Moved by Councilman Hayes and seconded by Councilman Berg, **“I move Resolution R09-13, A Resolution Establishing Minimum/Maximum Wage Rates for 2009-10 Fiscal Year effective May 1, 2009, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, Berg, Hayes, and Olson. Nays: None. Motion passed 7-0.
- 5) **Predevelopment Agreement between the City and North Route 38 LLC – Rochelle Route 38 TIF:** The Final PUD Plan and Plat for Lighthouse Pointe (Wal-Mart Addition) was approved by the Mayor and Council on October 27, 2008. Due to requirements imposed by the Illinois Department of Transportation, City of Rochelle, and serious floodplain issues associated with the site, significant infrastructure improvements are still necessary. As discussed at the March 23, 2009 City Council Meeting, the developer’s contract with Wal-Mart is contingent upon the developer obtaining the necessary financing to complete the required improvements. The recent economic downturn and associated credit tightening has resulted in the developer’s inability to finance all of the

remaining improvements. On March 23, 2009 the Mayor and City Council approved an Inducement Resolution as the first step in the process of establishing the Rochelle Route 38 TIF District to assist with the financing of public improvements associated with the development of this site. A Predevelopment Agreement between the City and the Developer has been negotiated. It provides that the City will use its best efforts to establish the Rochelle Route 38 Tax Increment Financing District by establishing and approving a TIF Redevelopment Plan, designating a Redevelopment Area, and adopting Tax Increment Financing as provided under the Tax Increment Allocation Redevelopment Act by October 15, 2009. The City and the Developer plan to enter into a development agreement on or before November 16, 2009 that is consistent with the Predevelopment Agreement. A maximum reimbursement amount of \$4,000,000 has been established for eligible redevelopment project costs related to offsite public infrastructure. An amendment to the existing Annexation Agreement will be included on the April, 27, 2009 City Council agenda which incorporates commitments consistent with the Predevelopment Agreement. Alan Cooper, City Attorney, gave a summary of the Pre-Development Agreement. Alan Cooper, City Attorney, gave a summary of the pre-development agreement. The obligation to set up a TIF and the obligation to fund four-million dollars are separate obligations. If the TIF District is not set up there will have to be another means of coming up with the \$4,000,000. According to the agreement it is the City's as well as the developer's obligation unless Wal-Mart backs out. Councilwoman Hollonbeck asked if there is a time frame involved. Nathan Bryant, of Spring Creek Development, was present to further explain and answer questions. In terms of a time-frame, they are to close with Wal-Mart in June in order to have the grand-opening in 2010. Councilman Eckhardt asked what would happen if Wal-Mart doesn't pick up a building permit within a certain time. According to Alan Cooper, there is no time limit within the agreement. Councilman Berg asked if we go right to coming up with the \$4,000,000 through the selling of bonds. According to Alan Cooper, if a TIF District is set up it will help pay for the bonds. This can also be paid for by raising property taxes.

Nathan Brant-Already paid for sewer. Due to economic times, there are no banks that will approve. Have to step back and look at total community improvements it presents for now and in the future. The flood study has been very difficult for them. To answer Councilman Berg's question, they will not come back and ask for additional money beyond the \$4,000,000. Councilman Hayes was concerned about the rush decision having to be made, especially as the Wal-Mart project has been in process for approximately the past 6 years.

Nathan Brant answered that there are no other retailers looking to launch their business in Rochelle. WalMart is a jewel for the city. The developer will do anything they can to keep this deal going.

The biggest risk the developer faces is that WalMart will take out a building permit and not build. But the other side is that WalMart would yield \$950,000/year in sales tax to the city; that's a four-year payback. This agreement is an investment; there's \$750,000 sales tax generated and \$200,000 local taxes. They have \$18,000,000 invested in Rochelle.

John Kaminski, expressed his concern is a gift of \$4,000,000 to a corporation. He stated the city is rushing to do this; no time to look at all the implications. The prize is not only having a WalMart here but it will certainly be a prize to the developer. Mr. Kaminski asked the city to look at the developer's finances.

Ed Kissick: Mr. Kissick stated that there is no such thing as guaranteed financing. The council or city manager should not bail out any developer. The developer takes the gamble; they are very smart and calling our bluff. We should not start a practice. This would be a slap in the face to every resident and every business in Rochelle.

Todd Prusator: The 80/20 discussion that Mr. Albert's is talking about is that each school district is based on the number of kids/EAV, are just general numbers. Also, the statement that what we don't pay locally is picked up by the state is not entirely true; the state coffers limited as they are giving a certain percent to all the schools in the state, which this next year is the lowest increase in years because they don't have the money. The state subsidizing or making up for this money is not guaranteed.

Moved by Councilwoman Hollonbeck and seconded by Councilman Colwill, **"I move Agreement 09-3799, A Pre-Development Agreement with North Route 38 LLC be approved.** Moved by Councilman Hayden and seconded by Councilman Colwill, **"I move Amendment #1 of Section 2.11 be amended to read that "within 30 days of general contractor start of foundation".** Roll call vote was taken. Ayes: Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, and Olson. Nays: Hayes, and Berg. Amendment passed 5-2.

Moved by Councilman Eckhardt and seconded by Councilman Hayden, **"I move Amendment #2 read that there be twelve-month expiration if WalMart has not begun construction."** Roll call vote was taken. Ayes: Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, and Olson. Nays: Hayes, and Berg. Amendment passed 5-2.

The main motion with amendments was then voted on. Roll call vote was taken. Ayes: Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, and Olson. Nays: Hayes, and Berg. Amendment passed 5-2.

- 6) **Mutual Aid Agreement – Illinois Water and Wastewater Agency Response Network (ILWARN):** The Illinois Section American Water Works Association (ISAWWA), in cooperation with the EPA and the Illinois Department of Public Health, has developed the ILWARN mutual aid network for water and wastewater utilities. This program facilitates the coordination of emergency services between its members during natural disasters and the resulting reimbursement process. In order to participate in the program, either to render or receive assistance, a Mutual Aid and Assistance Agreement must be signed by the City. The Mutual Aid and Assistance Agreement specify the responsibility of the parties, operational procedures, and compensation associated for providing assistance. The decision to render assistance is entirely discretionary. Participation in this program is crucial to ensuring that assistance is available to the City of Rochelle in the event of a natural disaster. Gary Larsen and Kathy Cooper were present for further explain and answer any questions. Moved by Councilman Hayes and seconded by Councilman Berg, **“I move Agreement 09-3800, Illinois Water and Wastewater Mutual Aid and Assistance Agreement, be ratified.”** Gary Larsen and Kathy Cooper were present to answer any questions. Roll call vote was taken. Ayes: Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, Berg, Hayes, and Olson. Nays: None. Motion passed 7-0.
- 7) **South 3rd Street, Avenue H, and 1<sup>st</sup> Avenue Sanitary Sewer Replacement:** City departments continue to move forward with the improvements planned for the southeast quadrant of our community. The 2009-10 RMU Water Reclamation Capital Budget includes \$300,000 for sewer and manhole replacement on South Third Street, Avenue H, and First Avenue. This project will provide for the replacement of the 100 year old sanitary sewer prior to the urbanized street upgrades currently planned for this area in the summer of 2010. Subsequent to the required public notice, bids were opened on April 1, 2009, with five contractors submitting bids. Staff and our consultant, Matt Hansen of Willett-Hoffmann and Associates, have reviewed the bids and determined that the apparent low bidder, GO Excavating of Freeport, has met the minimum requirements of the specifications with their bid of \$244,477. Gary Larsen was present for explanation and to answer questions. Moved by Councilman Colwill and seconded by Councilwoman Hollonbeck, **“I move the Council accept bid C09-01 from GO Excavating for the South 3rd Street, Avenue H, and 1st Avenue Sanitary Sewer Replacement for a total amount of \$244, 477 and reject all other bids.”** Roll call vote was taken. Ayes: Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, Berg, Hayes, and Olson. Nays: None. Motion passed 7-0.

***PUBLIC COMMENTARY:*** None.

***DISCUSSION ITEMS:*** None

***RECESS MEETING:*** At 10:05 p.m. Councilman Eckhardt moved and seconded by Councilman Colwill, **“I move the Council recess the meeting until 5 p.m. on April 15, 2009 to go into executive session to discuss Executive Session minutes and Non-union Personnel.”** Motion passed by voice vote without dissent.

At 5:18 p.m., April 15, 2009 Mayor Olson reconvened the April 13, 2009 City Council meeting. Present on roll call were Councilmembers Berg, Colwill, Eckhardt, Hollonbeck, Hayden, and Mayor Olson. Absent: Councilman Hayes. Also present was City Clerk McKinney.

Councilman Berg moved and seconded by Council Colwill, **“I move the Council recess into Executive Session to discuss Non-union personnel and Discussion of minutes of meetings lawfully closed for purposes of review and approval.”** Roll call vote was taken. Ayes: Councilmembers Hayden, Hollonbeck, Colwill, Eckhardt, Berg, Hayes, and Olson. Nays: None. Motion passed 7-0.

At 5:34 p.m. Councilman Berg moved and seconded by Councilman Eckhardt, **“I move the Council return to Open Session.”** Motion passed by voice vote without dissent.

***ADJOURNMENT:*** AT 5:34 p.m., Councilman Colwill moved and seconded by Councilman Berg, **“I move the Council adjourn.”** Motion passed by voice vote without dissent.

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Chet Olson  
Mayor, City of Rochelle

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Bruce McKinney, CMC  
City Clerk, City of Rochelle