

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
MONDAY, DECEMBER 14, 2009**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, December 14, 2009 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 D. McDermott, Hollonbeck, Hayes, Berg, T. McDermott and Mayor Olson. Absent: Councilman Eckhardt. Also present were City Manager Alberts and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC.: Midwest Senior Bowler Days; Read by City Clerk, Bruce McKinney; the Mayor will present it to Mike Pullin at the opening of the event at T-Byrds.

REPORTS AND COMMUNICATIONS:

- **Mayor:** Attended the IML (of which he is a board member) Winter Conference meeting, December 4-5 in Chicago. Issues for 2010 were centered on pensions, FOIA changes, transportation issues, and land use. Also, attended a budget committee meeting, which like any other budget at this time is conservative.
- **Council Members:** None

BUSINESS ITEMS:

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

- a) Approve Minutes of City Council Meeting – November 23, 2009;
- b) Accept and Place on File Planning and Zoning Minutes – November 2, 2009;
- c) Accept and Place on File Stormwater Meeting Minutes – January 21, 2009;
- d) Approve Bills/Payrolls;

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

Ayes: Councilmembers Hollonbeck, D. McDermott, Berg, Hayes, T. McDermott, and Mayor Olson.
Nays: None. Motion passed 6-0.

- 2) **Public Hearing on 2009 Tax Levy:** Annually the City Council is required to adopt a Tax Levy Ordinance and file it with the County Clerk on or before the last Tuesday in December. Last year, the City’s property tax rate was \$0.7873 per \$100 of Equalized Assessed Valuation (EAV). The City’s actual 2008 EAV of \$202,261,152 resulted in total tax revenues of \$1,592,402.05. The November 23, 2009 Council Agenda included a Discussion Item related to the 2009 Tax Levy. Subsequent to that meeting a Notice of Public Hearing was published in the Rochelle News Leader which included the potential of a 17.63 percent increase in the City’s 2009 property tax assessment. Using an EAV of \$210,000,000 a property tax increase of 4.99% would generate an increase in property taxes of \$79,496.95. The Fire Pension Board has requested an incremental levy above the 4.99% of \$85,696. The Police Pension Board has requested an incremental levy above the 4.99% of \$115,540. The basis for these incremental requests was explained by the respective Pension Board Presidents at the November 23rd meeting and generally relate to the timing of the actuarial study (May 1, 2009) and the negative investment results experienced. With no incremental pension fund levy, the City property tax levy would increase from the 2008 rate of \$0.7873 to a 2009 rate of \$0.827025. The 2009 tax levy would increase to \$0.922851 if the pension fund requests are granted. Chris Frye, Treasurer, gave a Power Point presentation showing different options/rates. taxes levied in the past, and answered questions. Moved by Councilwoman Hollonbeck and seconded by Councilman Tom McDermott, **“I move the Council recess into a Public Hearing for the 2009 Tax Levy.”** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, D. McDermott, Berg, Hayes, T. McDermott, and Mayor Olson. Nays: None. Motion passed 6-0.

Public Hearing:

- Jason Fore, President of Fire Pension Board & Terry Inman, President of the Police Pension Board: They handed out options for funding to the council. They stated that it is an obligation of the city to fund the pension. It is required by state law to be 100% funded, which they have been able to accomplish in the past. If they aren't able to get the requested amount this year they will probably have to return next year with another request.
- John Kaminski: Doesn't know all the details but there must be ways to cut back on expenses. The city needs to make some hard choices. The city gave away \$4million and now they want to hit the tax payers. Per Ken Alberts, the city reduced expenses by \$½ million. Councilman Tom McDermott commented that he doesn't think the council is looking to raise taxes but to find other ways within our reserves to offset the 4.99%.
- Barb Reinick: Started by saying that she has a lot of respect for the fire fighters and police officers. Everyone has pension funds that have gone down. Retirees are getting forced out of their homes. Perhaps they should look into other pension funds. Also there is a conflict of interest with two councilmen.
- Spencer Hayden: Spent a couple hours looking at the numbers. People can't afford an increase. Our area has higher taxes than those around us. There are also increases in other area taxing bodies. Feels it's a bigger picture than just what is being discussed tonight.
- Jason Anderson: Giving his thoughts from an economic developer's standpoint. Rochelle Tax Base is higher than competitive communities; as much as 2% higher. We have a lot to offer to development but if we aren't prudent it is eventually going to hurt our competitive position.
- Bruce McKinney read a statement from Councilman Eckhardt (in his absence): Real estate tax increases are pricing home owners out of their homes. Even the additional industries that we have added to the community have done nothing to reduce the tax burden. Both the park district and the schools have said that there will be increase in their levies. We need to lead by example. Feels it is important to keep tax increases to a minimum. We need to look for ways to reduce the tax burden, not add to it every year.

Attorney Cooper reminded Ken Alberts that the agreement with the Landfill says we have to have \$800,000 available in that fund to move everything from Phase I to another area.

Moved by Councilman Berg and seconded by Councilwoman Hollonbeck, **"I move the Council return to Open Session."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, D. McDermott, Berg, Hayes, T. McDermott, and Mayor Olson. Nays: None. Motion passed 6-0.

At this time Mayor Olson talked about the many variables that have hit the city and staff due to the economy. With looking at all the information presented, it was his recommendation/motion that we do not increase the tax levy. We need to set the example to the other taxing bodies. Seconded by Councilman Dan McDermott (so that they could proceed to discussion). Dennis Berg made the point that we are paying more of our taxes to the Park District than any other entity. He suggested the two schooling entities should receive taxes jointly. Also, feels we have an obligation to fund these pensions the best we can; if we don't they will be back again. Tom McDermott said that, if he could vote or make a motion, he thought they should do in increments per year; look into other funds such as the Ogle-Lee ambulance fund). and pay it back (Tom McDermott brought up that about a third of the fire calls are out of the city limits); look at the 4.99% and get the pension money elsewhere. Dan McDermott said that the \$200,000 should be done right now, using Tom's suggestion. Kathy Hollonbeck felt that they should go with \$100,000. Mayor Olson moved and seconded by Councilman Dan McDermott, **"I move we have a 0% tax levy rate increase with the airport hangar obligation fund included."** Roll call vote was taken. Ayes: Mayor Olson. Nays: Councilmembers Hollonbeck, D. McDermott, Berg, Hayes. Abstain: T. McDermott. Motion failed 1-4, 1 abstain.

Moved by Councilwoman Hollonbeck and seconded by Councilman Berg, **"I move Ordinance 09-3877, An Ordinance Levying Taxes for the City of Rochelle for the Fiscal Year May 1, 2009 through**

April 30, 2010, at a rate of 4.99% of \$0.827025, with an additional \$50,000 coming from other city funds at the City Manager's discretion. Roll call vote was taken. Ayes: Councilmembers Berg, Hollonbeck. Nays: Dan McDermott, Hayes, Mayor Olson. Abstain: Councilman Tom McDermott. Motion failed 2-3 with 1 abstaining.

Moved by Councilman Hayes and seconded by Councilman Dan McDermott, **"I move Ordinance 09-3877, An Ordinance Levying Taxes for the City of Rochelle for the Fiscal Year May 1, 2009 through April 30, 2010, at a rate of 4.99% of \$0.827025, with an additional \$100,000 coming from city funds for the two pension funds at the City Manager's discretion."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, D. McDermott, Berg, and Hayes. Nays: Mayor Olson Abstain: T. McDermott. Motion passed 4-1, with 1 abstaining.

- 3) **Purchase of Sewer Cleaning Machine – Water Reclamation Division:** The 2009-10 Water Reclamation Capital Budget includes \$300,000 for the replacement of the Vactor sewer cleaning machine. The unit currently in operation was purchased jointly with the Street Department in 1998. It has been used by the Water, Water Reclamation, and Electric Divisions as well as the Street Department for a variety of purposes. Due to age and some required repairs the unit is no longer reliable enough to meet the time sensitive needs of the Water Reclamation Division. Subsequent to the required public notice, bids for a new unit and available demo units were opened on November 30, 2009, with three dealers submitting bids. Staff has reviewed all of the bids, contacted other communities for references, and tested the available demo units. Standard Equipment was the only bidder which met all of the bid requirements without exception. The other two bidders were not able to supply units with aluminum tanks and piston driven pumps as specified. After careful consideration Gary Larsen recommended purchase of the Vactor demo unit from Standard Equipment at a cost of \$285,331. The recommended demo unit is slightly used but includes additional features that were not included in the original specifications due to budget constraints. The Street Department would like to maintain the 1998 Vactor and plans to perform the necessary repairs in-house. Once repaired this unit will serve the department's maintenance needs associated with cleaning catch basins and storm sewers. Gary Larsen and Kathy Cooper were both present to discuss and answer any questions. Moved by Councilman Berg and seconded by Councilman Tom McDermott, **"I move the Council accept Bid C09-10 from Standard Equipment in the amount of \$285,331 for a demo unit Sewer Cleaning Machine and reject all other bids."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, D. McDermott, Berg, Hayes, T. McDermott, and Mayor Olson. Nays: None. Motion passed 6-0.

- 4) **Amendment to Chapter 98 (Utilities) of the Municipal Code –Interconnection and Net Metering and Net Metering and Resolution Modifying RMU Price Schedule:** The United States Department of Energy is committed to reducing America's dependence on foreign oil through the use of energy efficient technologies, including renewable energy. This goal will likely gain momentum following the recent U.S. Environmental Protection Agency (EPA) announcement that "greenhouse gases (GHGs) threaten the public health and welfare of the American people". As a local utility provider, RMU supports the use of renewable energy. Through developing technologies certain types of renewable energy are now available to service individual homes and businesses. In order for these customers to safely connect to the RMU distribution system certain rules are required. The addition of interconnection services to our municipal code will allow customers with on-site generation facilities to connect to RMU's electric system and excess electricity generated by those facilities to be delivered to RMU's electric distribution system. The proposed net metering provision will allow customers with eligible on-site generation facilities to offset their electric energy usage. Gary Larsen was present to answer questions. Moved by Councilwoman Hollonbeck and seconded by Councilman Tom McDermott, **"I move Ordinance 09-3878, An Ordinance Amending Chapter 98 ("Utilities") of the Municipal Code of the City of Rochelle to Add a New Article CI ("Interconnection and Net Metering"), be adopted."** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, D. McDermott, Berg, Hayes, T. McDermott, and Mayor Olson. Nays: None.

Motion passed 6-0. Move by Councilwoman Hollonbeck and seconded by Councilman Dan McDermott, **“I move Resolution R09-25, A Resolution Modifying RMU Utility Service Price Schedule to Add a New Rider Providing for Interconnection and Net Metering Service Requirements, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, D. McDermott, Berg, Hayes, T. McDermott, and Mayor Olson. Nays: None. Motion passed 6-0.

- 5) **Ordinance Amending Chapter 110 of the Municipal Code – Pawn Shops:** Recently the Community Development Department received an inquiry from a local citizen about the possibility of opening a pawn shop in Rochelle. After a review of the City of Rochelle’s Municipal Code it was determined that a pawn shop was not listed and therefore not permitted. Additional information for communities of similar size and location was subsequently gathered and forwarded to the Planning and Zoning Commission for their review and recommendation. The Planning and Zoning Commission held a Public Hearing on November 2, 2009, which was continued on December 7, 2009, to discuss the appropriateness of allowing a pawnshop as a special use in designated zoning districts. After considerable deliberation the Planning and Zoning Commission voted 6-0 to recommend approval of an amendment to the Rochelle Municipal Code which provides for Pawnshops in B-1 (Central Business) or B-2 (Highway Commercial) districts upon the approval of a conditional (special use) permit. Additional stipulations are included in the amendment which prohibits the sale of firearms or weapons and limits the hours of operation. The definition of pawnshop, which will be included in the code, was taken from the Illinois Pawnbroker Regulation Act and will be revised as necessary in the future to coincide. Chris Limas was present to answer any questions. Moved by Councilman Berg and seconded by Councilwoman Hollonbeck, **“I move Ordinance 09-3879, An Ordinance Amending Chapter 110 of the Rochelle Municipal Code (“Zoning”) in Regards to Pawnshops, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Hollonbeck, D. McDermott, Berg, Hayes, T. McDermott, and Mayor Olson. Nays: None. Motion passed 6-0.

PUBLIC COMMENTARY: No additional.

DISCUSSION ITEMS: Due to the lateness of the hour, Ken Alberts postponed this discussion item to a later date.

EXECUTIVE SESSION: None.

ADJOURNMENT: At 9:01 pm, moved by Councilwoman Hollonbeck and seconded by Councilman Berg, **“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