

**ROCHELLE CITY COUNCIL
REGULAR COUNCIL MEETING MINUTES
MONDAY, FEBRUARY 8, 2010**

The Rochelle City Council met in Regular Session at 7:00 p.m. on Monday, February 8, 2010 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, T. McDermott, Hayes, and Mayor Olson. Absent: Councilmembers Eckhardt and Berg . Also present were City Manager Alberts and City Clerk McKinney.

PROCLAMATIONS, COMMENDATIONS, ETC:

- Dating Violence Awareness & Prevention Month-February 2010: Read by City Clerk Bruce McKinney. Mayor Olson will present the proclamation to the Natural Helpers of RTHS.
- National Engineer's Week February 14 – 20, 2010: Read by City Clerk Bruce McKinney and accepted by Sam Tesreau, City Engineer. Sam said that as a member of the National Society of Professional Engineers, Local Chapter of the Rock River area, every year their chapter provides scholarships for perspective engineers.

REPORTS AND COMMUNICATIONS:

- Mayor: None.
- Council Members: Councilman Hayes thanked the staff as they work hard on the annual budget.

BUSINESS ITEMS:

- 1) **CONSENT AGENDA ITEMS BY OMNIBUS VOTE** with Recommendations:
 - a) Approve Minutes of City Council Meeting – January 25, 2010;
 - b) Accept and Place on File Minutes of November 18, 2009 Stormwater Commission;
 - c) Approve Bills 1/15/10-1/21/10 and 1/22/10-1/28/10;
 - d) Approve Payroll 1/11/10-1/24/10;
 - e) Approve a Resolution (R10-05) Regarding the Release of Executive Session Minutes;
 - f) Approve a Resolution (R10-06) Establishing the Official Zoning Map for 2009:Moved by Councilwoman Hollonbeck and seconded by Councilman D. McDermott, **“I move Consent Agenda Items (a) through (f) be approved by Omnibus Vote as Recommended.”** Roll call vote was taken. Ayes: Councilmembers Hayes, Hollonbeck, T. McDermott, D. McDermott, and Mayor Olson. Nays: None. Motion passed 5-0.
- 2) **Public Hearing – Community Development Assistance Program (CDAP) Grant – Lakeview Sanitary Sewer Lining:** The Illinois Department of Commerce and Economic Opportunity currently has grant funds available through the Community Development Assistance Program (CDAP) to upgrade public infrastructure in areas which meet specific income guidelines. The Lakeview Subdivision meets the income criteria established and the sanitary sewer system which serves the area currently experiences an excessive volume of infiltration of water during storm events due to cracks and separation of the existing pipe. On January 11, 2010, The Mayor and City Council approved an agreement with Fehr-Graham & Associates which allows the preliminary design and CDAP application process to move forward for the rehabilitation of 8,000 feet of Sanitary Sewer in the Lakeview Subdivision. As part of the CDAP grant process, the Mayor and City Council are required to hold a Public Hearing and subsequently approve a resolution which authorizes support and

commitment of funds related to the grant application. The City's portion of the estimated project cost is expected to be approximately \$120,000 and will be included in the 2010/11 Water Reclamation Capital Budget. Moved by Councilwoman Hollonbeck and seconded by Councilman T. McDermott, **"I move the Council recess into a Public Hearing for Community Development Assistance Program Grant for the Lakeview Sanitary Sewer Lining."** Roll call vote was taken. Ayes: Councilmembers Hayes, Hollonbeck, T. McDermott, D. McDermott, and Mayor Olson. Nays: None. Motion passed 5-0.

- **John Vendel of Fehr-Graham:** Started by handing out sign-in sheet for those present at this hearing. He presented an overview of the CDAP Public Infrastructure program. The total amount of funding requesting by the City will be \$350,000 (grant ceiling per request). The grant application is on file in the City Clerk's office. A public hearing will be held after the project work is completed for comments regarding the project performance.

- **John Kaminski:** Asked where the money comes from.

Moved by Councilwoman Hollonbeck and seconded by Councilman D. McDermott, **"I move the Council return to Open Session."** Motion passed by voice vote without dissent.

Kathy Cooper, Superintendent of Water/Waste Water, was available to answer questions. Moved by Councilwoman Hollonbeck and seconded by Councilman T. McDermott, **"I move Resolution R10-07, A Resolution of Support and Commitment of Funds, be adopted."** Roll call vote was taken. Ayes: Councilmembers Hayes, Hollonbeck, T. McDermott, D. McDermott, and Mayor Olson. Nays: None. Motion passed 5-0.

- 3) **Loan of Funds from Electric Utility to Communications Utility:** Over the past few years the Communications Division of Rochelle Municipal Utilities has significantly expanded the fiber network throughout the City, including redundant fiber optic feeds which serve the Rochelle Business and Technology Park. This infrastructure expansion has required a substantial investment of capital which has resulted in a negative cash balance in the Communications fund. At their meeting on January 27, 2010 the Utility Advisory Board recommended a loan from the Electric Utility to the Communications Utility to offset this deficit. The Electric fund currently has a cash balance of \$4,400,000. If approved these funds would be loaned for a maximum period of twenty years with an interest rate based on investment return rates. The Communications Division will continue to proactively market their services in order to increase revenues and reduce operating expenses wherever possible. An initiative is already underway which will reduce communication expenses by \$4,000 per month, while doubling the available bandwidth. Chris Frye, Treasurer, and Scott Koteski, Superintendent of Communications Network were both present for further information and to answer questions. Presently have 40 miles of fiber; have 135 fiber customers; cost depends on band width. Kathy Hollonbeck and Tom McDermott questions/comments. Mr. McDermott suggested a review of finances involving the Internet. Moved by Councilman T. McDermott and seconded by Councilwoman Hollonbeck, **"I move the Council approve a Loan of \$1,000,000 from the Electric Utility to the Communications Utility for a Period not to exceed twenty years at an Interest Rate Consistent with Investment Return Rates."** Roll call vote was taken. Ayes: Councilmembers Hayes, Hollonbeck, T. McDermott, , and Mayor Olson. Nays: D. McDermott. Motion passed 4-1.
- 4) **RMU Utility Service Price Schedule - Primary Electric Service Metering Discount:** RMU received an inquiry from a large industrial customer, which uses a significant amount of electricity, about the possibility of compensation for owning and maintaining their own transformers. RMU staff has confirmed that most electric service providers, including the area private power company, offer a discount to customers purchasing electric energy under these circumstances. There is an energy loss that occurs when a customer's electric service is reduced from primary to secondary service through a transformer. This coupled with the initial transformer investment warrants a consideration of compensation. The proposed Primary Metering Discount would provide eligible customers, receiving

service on large general service rate schedules, with a 2% reduction of the metered demand and energy usage. There are currently seven customers that fit the eligibility criteria for this discount, which would result in a combined monthly discount of \$12,000 based on current usage. Barbara Bell, Supervisor of RMU Customer Service, and Joe Orlikowski, Superintendent of T & D, were present to answer any questions. Moved by Councilman Hayes and seconded by Councilman D. McDermott, **“I move Resolution R10-08, A Resolution Modifying RMU Utility Service Price Schedule to add a New Rider providing for Primary Metering Discount Program, be adopted.”** Roll call vote was taken. Ayes: Councilmembers Hayes, Hollonbeck, T. McDermott, D. McDermott, and Mayor Olson. Nays: None. Motion passed 5-0.

- 5) **Washington Street/Lincoln Highway and 4th Avenue Improvements:** As discussed at the November 11, 2009 City Council Meeting, \$320,082 in stimulus funds have been designated for the City of Rochelle through the American Recovery Reinvestment Act. The project which has been identified to utilize these funds includes improvements on Lincoln Highway and Washington Street from First Avenue to Fifth Avenue and Fourth Avenue from Sixth Street to Main Street. These improvements will include pavement removal and rehabilitation, storm sewer and manhole upgrades, curb and gutter replacement and construction, and minor sidewalk removal and replacement. Subsequent to being advertised in the IDOT Transportation Bulletin, bids were opened in Springfield on January 15, 2010, with five contractors submitting complete bids. IDOT staff has confirmed that the apparent low bidder, Rock Road Companies of Janesville, WI, is on the IDOT prequalified contractor listing and has completed similar construction projects. City Engineer, Sam Tesreau recommends acceptance of Rock Road Companies bid of \$418,892.60, which is 31% lower than the IDOT approved estimate. The local portion of approximately \$100,000, plus any other expenses that are incurred during the course of the project, will be included in the Fiscal Year 2010/2011 Capital Improvements Budget with funding available through local infrastructure sales and/or utility taxes. Sam Tesreau was present to answer questions. Moved by Councilwoman Hollonbeck and seconded by Councilman D. McDermott, **“I move Council Recommend to IDOT approval of Contract C10-03, Awarding a big for the Washington Street/Lincoln Highway and 4th Avenue Improvements to Rock Road Companies in the amount of \$418,892.60.”** Roll call vote was taken. Ayes: Councilmembers Hayes, Hollonbeck, T. McDermott, D. McDermott, and Mayor Olson. Nays: None. Motion passed 5-0.

PUBLIC COMMENTARY:

- **John Kaminski:** Thanked Tom McDermott for his questioning the Internet service. Doesn't work in a lot of areas, therefore had to contract a competitor. Would rather the \$1,000,000 voted on earlier in the meeting go to lowering his utility rates.

DISCUSSION ITEMS: None

EXECUTIVE SESSION: None

ADJOURNMENT: At 8:11 p.m., moved by Councilman T. McDermott and seconded by Councilman D. McDermott, **“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