



MINUTES
CITY COUNCIL MEETING
Tuesday, November 12, 2024 at 6:30 PM
City of Rochelle Council Chambers – 420 N. 6th Street, Rochelle, IL 61068

- I. **CALL TO ORDER:** Pledge to the Flag and prayer were led by Mayor Bearrows.
- II. **ROLL CALL:** Present were Councilors T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor John Bearrows. Also, present City Manager Jeff Fiegenschuh, City Clerk Rose Huéramo, Deputy Clerk Rosie Belmonte, and City Attorney Dominick Lanzito.
- III. **PROCLAMATIONS, COMMENDATIONS, ETC:** None.
- IV. **REPORTS AND COMMUNICATIONS:**
1. Mayor's Report: Thanks to everyone who came out and supported the Veterans Day community events.
 2. Council Members: None.
 3. Accept Resignation of Will McLaughlin - Planning & Zoning Commission: Motion made by Councilor T. McDermott, Seconded by Councilor Valdivieso, **"I move Council accept the Resignation of Will McLaughlin from the Planning & Zoning Commission Effective Immediately."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.
 4. Appoint Lance Charnock to Voting Position - Planning & Zoning Commission: Motion made by Councilor T. McDermott, Seconded by Councilor D. McDermott, **"I move Council Accept the Appointment of Lance Charnock to Planning & Zoning Commission as a voting member for a term to expire July 1, 2026."** Motion made by Councilor T. McDermott, Seconded by Councilor Shaw-Dickey, **"I move to table this motion."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.
- V. **PUBLIC COMMENTARY:** None.
- VI. **BUSINESS ITEMS:**
1. **CONSENT AGENDA ITEMS BY OMNIUS VOTE with Recommendations:**
 - a) Approve Minutes of City Council Meeting - 10/28/24
 - b) Approve Minutes of City Council Budget Workshop - 11/4/24
 - c) Accept and Place on File Planning & Zoning Commission Meeting Minutes - 5/6/2024
 - d) Establish November 25, 2024 as the Public Hearing Date for the 2025 Budget
 - e) Approve Check Registers - 10/28/24, 11/4/24, 11/4/24-2
 - f) Approve Payroll - 10/14/24-10/27/24
 - g) Accept & Place on File Classification and Compensation Study Report
 - h) Approve Special Event Request - Turkey TrotMotion made by Councilor Hayes, Seconded by Councilor Arteaga, **"I move consent agenda items (a) through (h) be approved by Omnibus vote as recommended."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.
 2. **An Ordinance Levying Taxes for all Corporate Purposes of the City of Rochelle, Ogle and Lee County, Illinois, for the fiscal year beginning January 1, 2025 and ending December 31, 2025.** The State of Illinois requires the City annually 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 \$311,565,381 and its property tax rate was .941240 per \$100 of EAV. The City collected \$2,932,578 in property taxes. For 2024, Ogle County has estimated the City's EAV at \$322,256,037 which is an increase of over \$10 million. The proposed levy calculation options would result in the

City collecting \$3,011,895 in property taxes, an increase of 3% (excluding the bond). Based on the estimated EAV, the tax rate would decrease .006612 per \$100 EAV for the 3% option. The proposed 2024 levy includes funding the Police and Fire Pension Funds as recommended by the pension boards' actuarial studies. City Manager Jeff Fiegenschuh and Finance Director Chris Cardott were available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor Hayes, **"I move Ordinance 24-5500, an Ordinance Levying Taxes for all Corporate purposes for the City of Rochelle, Ogle, and Lee Counties, for the fiscal year beginning January 1, 2025 and ending December 31, 2025, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.

3. **An Ordinance Abating the Taxes Levied for 2024 to Pay the Debt Service on General Obligation Bonds (Alternate Revenue Source), Series 2023A of the City of Rochelle.** In 2023, the Mayor and Council approved an ordinance providing for the issuance of bonds to finance improvements in the Downtown and Southern Gateway TIF. The City subsequently issued General Obligation Bonds (Alternate Revenue Source), Series 2023A in the amount of \$2,500,000. The annual debt service related to these bonds is being paid through the Downtown and Southern Gateway TIF 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 Ogle County and Lee County. Finance Director Chris Cardott was available for questions. Motion made by Councilor Valdivieso, Seconded by Councilor Hayes, **"I move Ordinance 24-5501, an Ordinance Abating the Tax hereto Levied for the year 2024 to pay the principal of and interest on \$2,500,000 General Obligation Bonds (Alternate Revenue Source), Series 2023A, of the City of Rochelle, Ogle, and Lee Counties, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.
4. **An Ordinance Abating the Taxes Levied for 2024 to Pay the Principal of and Interest on \$4,795,000 General Obligation Bonds (Electric System Alternate Revenue Source), Series 2023 of the City of Rochelle.** In 2023, the Mayor and Council approved an ordinance providing for the issuance of bonds to finance electric infrastructure improvements. The City subsequently issued General Obligation Bonds (Electric Alternate Revenue Source), Series 2023 in the amount of \$4,795,000. The annual debt service related to these bonds is being paid through the Electric 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 Ogle County and Lee County. Finance Director Chris Cardott was available for questions. Motion made by Councilor Arteaga, Seconded by Councilor Shaw-Dickey, **"I move Ordinance 24-5502, an Ordinance Abating the Tax hereto levied for the Year 2024 to Pay the Principal of and interest on \$4,795,000 General Obligation Bonds (Electric System Alternate Revenue Source), Series 2023, of the City of Rochelle, Ogle, Lee Counties, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.
5. **An Ordinance Abating the Taxes Levied for 2024 to Pay the Principal and Interest on \$2,955,000 Taxable General Obligation Refunding Bonds (TIF Alternate Revenue Source), Series 2013 of the City of Rochelle.** 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) for \$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 for \$2,955,000, 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 Ogle County and Lee County. Finance Director Chris Cardott was available for questions. Motion made by

Councilor Shaw-Dickey, Seconded by Councilor D. McDermott, **"I move Ordinance 24-5503, an Ordinance Abating the Taxes heretofore levied for the Year 2024 to Pay Debt Service on General Obligation Refunding Bonds (Tax Increment Financing Alternate Revenue Source), Series 2013 of the City of Rochelle, Ogle, County, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. motion passed 7-0.

6. **An Ordinance Abating the Taxes Levied for 2024 to Pay the Principal of and Interest on \$8,895,000 General Obligation Bonds (Electric System Alternate Revenue Source), Series 2022 of the City of Rochelle.** In 2022, the Mayor and Council approved an ordinance providing for the issuance of bonds to finance electric infrastructure improvements. The City subsequently issued General Obligation Bonds (Electric Alternate Revenue Source), Series 2022 in the amount of \$8,895,000. The annual debt service related to these bonds is being paid through the Electric 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 Ogle County and Lee County. Chris Cardott, Finance Director was available for questions. Motion made by Councilor Hayes, Seconded by Councilor T. McDermott, **"I move Ordinance 24-5504, an Ordinance Abating the Tax heretofore levied for the Year 2024 to pay the principal of and interest on \$8,895,000 General Obligation Bonds (Electric System Alternate Revenue Source), Series 2022, of the City of Rochelle, Ogle, Lee Counties, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.
7. **An Ordinance Abating the Taxes Levied for 2024 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. Finance Director Chris Cardott was available for questions. Motion made by Councilor T. McDermott, Seconded by Councilor D. McDermott, **"I move Ordinance 24-5505, an Ordinance Abating the Tax hereto Levied for the Year 2024 to Pay the Principal of and Interest on \$4,500,000 General Obligation Bonds (Alternate Revenue Source), Series 2018, of the City of Rochelle, Ogle and Lee Counties, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.
8. **An Ordinance Abating the Taxes Levied for 2024 to Pay the Principal of and Interest on \$7,775,000 General Obligation Bonds (Electric System Alternate Revenue Source), Series 2021 of the City of Rochelle.** In 2021, the Mayor and Council approved an ordinance providing for the issuance of bonds to finance electric infrastructure improvements. The City subsequently issued General Obligation Bonds (Electric Alternate Revenue Source), Series 2021 in the amount of \$7,775,000. The annual debt service related to these bonds is being paid through the Electric 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 Ogle County and Lee County. Finance Director Chris Cardott was available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor Hayes, **"I move Ordinance 24-5506, an Ordinance Abating the Tax hereto Levied for the Year 2024 to Pay the Principal of the Interest on \$7,775,000 General Obligation Bonds (Electric System Alternate Revenue Source), Series 2021, of the City of Rochelle, Ogle, and Lee Counties, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.

9. **An Ordinance Waiving Competitive Bidding Requirements and Authorizing the Purchase of Elster Meters from Wesco Distribution.** The electric department would like to purchase several forms of electric meters. These meters will be used to update existing meters as well as allow for more summer saver rate customers. These meters also include the remote disconnect feature to assist the billing department. Wesco Distribution is the only authorized dealer and available supplier in our area. Due to long lead times on meter availability, we are asking to purchase a large quantity. This will allow us to prepare for new installations and replacements over the next 2 years. Superintendent of Electric Operations Blake Toliver was available for questions. Motion made by Councilor Valdivieso, Seconded by Councilor Arteaga, **"I move Ordinance 24-5507, an Ordinance Waiving Competitive Bidding Requirements and Authorizing the Purchase of Elster Meters form Wesco Distribution, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.
10. **A Resolution Accepting and Approving the Proposal from McDermaid Roofing & Insulating Company of Rockford, IL.** Proposals for the Rochelle Municipal Utilities Roof Replacement Project were opened in the Rochelle City Hall Chambers at 10:00AM on Thursday, October 10, 2024. The project was publicly advertised on September 22, 2024 in the Rochelle News Leader and eleven (11) contractors and one (1) plan room requested and were provided bid documents. A pre-bid meeting was held on September 27, 2024 and six (6) contractors and one (1) material supplier were in attendance. Five (5) bid proposals were received, opened and read aloud. A tabulation of bids received is attached herewith. The bid package requested a Base Bid and two (2) Alternate Bid items. All bidders submitted complete bid packages. The alternate bid items were prioritized, evaluated and selected by City staff based on project needs and budget considerations. It was determined that the Base Bid and Alternate Bids 1 and 2 would be accepted. Based on these selections, the apparent low bidder was McDermaid Roofing & Insulating Company of Rockford, Illinois with a bid amount of Eight Hundred Seventy-One Thousand and 00/100 Dollars (\$871,000.00). The roof on the building has started leaking in multiple areas with the damage to the interior of the building increasing during each rainfall event. After several inspections of the roofing membrane, it was determined the best course of action would be to replace the roof in its entirety. Through multiple discussions it was decided it would be best to complete the roof replacement on all portions of the building. This project is to be paid out of the landfill fund with the departments reimbursing the fund in the next budget year. Please note that the building was appraised at \$6,660,000 in 2023. In light of our recent expenditures the building still holds significant value considering our purchase price. We would also like to ask for a 15% project variance that would allow the city manager to approve any unexpected costs during the duration of the project. Tom Houck with Willett Hofmann and Superintendent of Electric Operations Blake Toliver were available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor T. McDermott, **"I move Ordinance 24-5508, an Ordinance Accepting and Approving the Proposal of McDermaid Roofing & Insulating Company Pursuant to the Request for Proposal, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion 7-0.
11. **A Resolution Waiving Competitive Bidding Requirements and Authorizing the Purchase of Residential Poles and Fixtures from Wesco Distribution.** The City of Rochelle has purchased streetlights from Wesco under the Sourcwell contract for several years. We wish to purchase 25 residential streetlights to continue replacing deteriorating infrastructure. These lights will replace the flying saucer lights On Brookside Dr and Springdale Dr. Our goal is to replace the lights on the main thoroughfares and then move into existing subdivisions. This quote was provided under the Sourcwell contract for streetlighting. We are asking to waive competitive bidding because Sourcwell completes the RFP process for their members. Superintendent of Electric Operations Blake Toliver was available for questions. Motion made by Councilor Arteaga, Seconded by Councilor Shaw-Dickey, **"I move Ordinance 24-5509, an Ordinance Waiving Competitive Bidding Requirements and Authorizing the Purchase of Residential Poles and Fixtures from**

Wesco Distribution, be approved. Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.

12. **A Resolution Authorizing the Sale of Renewable Energy Credits to Sol Systems, LLC.** Rochelle Municipal Utilities accumulates Renewable Energy Credits (RECs) from the landfill methane gas units. RECs can generate revenue by being sold to companies seeking to lower their emissions footprint. Staff has met with Sol Systems, LLC to formalize an agreement to sell the RECs generated from July 1, 2024 through June 30, 2027 at a rate of \$35.25 per REC. The contract with the current buyer has expired. The new contract is estimated to generate nearly 3x the revenue of our expired contract. In previous years, the revenues have been utilized to fund the income assistance program. Superintendent of Electric Operations Blake Toliver was available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor Hayes, **"I move Ordinance 24-5510, an Ordinance the Sale of Renewable Energy Credits, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.
13. **A Motion to Approve Updates to the City of Rochelle Administrative Policy for Mitigating Energy Transaction Risks.** The City of Rochelle, along with Rochelle Municipal Utilities, seeks to gain approval for revisions to the City's Administrative Policy for Mitigating Energy Transaction Risks. The updates include sections on Due Diligence and Know Your Customer Policies, and our Anti-Money Laundering Policy. The revisions to the Policy are a result of notice by PJM Interconnection (the regional transmission organization that coordinates the movement of wholesale electricity) to the City that our Administrative Policy for Mitigating Energy Transaction Risks needs to include Anti-Money Laundering and Know Your Customer provisions. The Policy noting the revisions is attached to the Resolution for review. City Manager Jeff Fiegenschuh was available for questions. Motion made by Councilor T. McDermott, Seconded by Councilor Valdivieso, **"I move the Council approve the Updates to the City of Rochelle Administrative Policy for Mitigating Energy Transaction Risks."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.
14. **An Ordinance Amending Section 6-46 of the Municipal Code of the City of Rochelle to Delete One Class R-3 Liquor License for A.S. Gian Corporation D/B/A The Blackstone Bar & Restaurant.** The Blackstone Bar & Restaurant, located at 406 Cherry Ave, is preparing for its sale at the end of December 2024. It is important to highlight the status of maintaining a valid liquor license throughout this transition. The current Class R-3 liquor license will remain valid until the closing of the sale. Additionally, the Class R-3 license allows for the retail sale of packaged alcoholic liquor, provided that such sales do not exceed ten percent of the total sales of all alcoholic beverages. If the sale is finalized, the current liquor license will be collected by Liquor Commissioner, Mayor John Bearrows as it will no longer be valid. For any future owners interested in continuing to serve liquor at this location, it is essential to understand that liquor licenses are not transferable. This means that new owners will need to apply for their own liquor license in order to legally serve alcohol. The application will then be presented to the Council for approval, following the standard procedures. If the sale does not go through, the transaction will be null and void, and the license will remain unchanged. The Liquor Commissioner, John Bearrows, has reviewed the request and has no objections to the transaction. City Clerk Rose Huéramo was available for questions. Motion made by Councilor T. McDermott, Seconded by Councilor Arteaga, **"I move Ordinance 24-5411, and Ordinance Deleting One Class R-3 Liquor License for A.S. Gian Corporation D/B/A The Blackstone Bar & Grill, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, C Arteaga, Valdivieso. Abstain: Mayor Bearrows. Nays: None. Motion passed 6-1.

15. **A Resolution Authorizing a Professional Engineering Service Agreement with Fehr Graham and Transystems for the FY 2024 Rochelle Crossing Elimination Initiative Study.** This City of Rochelle Railroad (CRRR) currently interchanges with the BNSF mainline where two passively protected railroad crossings are located on Caron Road and one passively protected crossing is located on Steam Plant Road. In 2023 the City applied for and was awarded a Statewide Planning and Research (SPR) Grant to fund 80% of a study that will determine the best relocation of new BNSF/CRRR switches so to eliminate the BNSF traffic from crossing all three crossings when interchanging with the CRRR. The proposal is called FY 2024 Rochelle Crossing Elimination Initiative. The City published a Request for Qualifications to engineering firms who could conduct the study and after numerous calls soliciting responses, only one response was received. Fehr Graham and Transystems combined their resources and responded to the RFQ. Both firms, combined, have many years of experience of designing rail system improvements for both the CRRR and the BNSF. The procurement committee charged with reviewing the responses made up of the Mayor, City Manager and Economic Development Director reviewed the qualifications and are satisfied that Fehr Graham and Transystems are qualified to conduct the study. Economic Development Director Jason Anderson was available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor T. McDermott, **"I move Resolution R24-71, a Resolution Authorizing a Professional Engineering Services Agreement with Fehr Graham and Transystems for the FY 2024 Rochelle Crossing Elimination Initiative Study, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.

VII. DISCUSSION ITEMS: None.

- VIII. EXECUTIVE SESSION:** At 7:13 PM. Motion made by Councilor Valdivieso, 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)."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.
At 7:57 PM. Motion made by Councilor D. McDermott, Seconded by Councilor Shaw-Dickey, **"I move the Council return to open session."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.

- IX. ADJOURNMENT:** At 7:57 PM. Motion made by Councilor D. McDermott, Seconded by Councilor T. McDermott, **"I move the Council adjourn."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 7-0.

John Bearrows, Mayor

Rose Huéramo, City Clerk