



MINUTES
CITY COUNCIL MEETING
Monday, March 13, 2023 at 6:30 PM

- I. CALL TO ORDER:** Pledge to the Flag was led by Mayor Bearrows, prayer was said by Pastor Duane Boehm.
- II. ROLL CALL:** Present were Councilors T. McDermott, Hayes, D. McDermott, Gruben, Shaw-Dickey, Arteaga, and Mayor Bearrows. A quorum of seven were present. Also, present were City Manager Jeff Fiegenschuh, City Clerk Rose Huéramo, and City Attorney Dominick Lanzito.
- III. PROCLAMATIONS, COMMENDATIONS, ETC:**
1. Good News Awards – The Electric Department, Street Department, Police Department and Fire Department were recognized for all their hard work during the ice storm. Also, Casey and Jason Electric Department and Pat Brust with Advance Communications with the repair of a power outage in the fiber system. City Manager acknowledged Mayor Bearrows, Peggy Friday, and Jason Anderson on the great work with this year's Hiring Expo.
 2. Good News – Recognized Molly Sedig Sustainability Coordinator and Tim Isley, Public Works Director applied for and received the Tree City USA tree designation.
 3. City Manager Retiree Recognition - Eric Higby, Chief of Police for his 27 years of service. An open house will be held on April 4th from 3pm-5pm at City Hall.
 4. Proclamation - Irish American Month for the month of March.
- IV. REPORTS AND COMMUNICATIONS:**
1. Mayor's Report: Thanked all that participated with the Lucky Dash . Also, thanked all the vendors and everyone that helped put together the Hiring Expo and reminded the community to attend the Lighted Parade on 3/17/2023 at 6:30pm.
 2. Council Members - None
 3. Swearing-In Ceremony - Interim Police Chief, Pete Pavia
- V. PUBLIC COMMENTARY:** None.
- VI. DISCUSSION ITEMS: Electric Rate Study.** Electric Rate Study - Superintendent of Electric Operations Blake Toliver and Utility Financial Solutions President presented Council with the electric rate proposal which includes a 3% increase to go into effect gradually over the next 3 years.
- Rain Barrels.** Sustainability Coordinator Molly Sedig presented Council with a New Barrel Rain Program. Where the City will help cover part of the for up to 100 rain barrels for residents starting in mid-March 2023.
- VII. BUSINESS ITEMS:**
1. CONSENT AGENDA ITEMS BY OMNIUS VOTE with Recommendations:
 - a) Approve Minutes of City Council Meeting - 2/27/23
 - b) Approve Check Registers: #205257-205319, #205320-205412
 - c) Approve Payroll - 2/19/23

Motion made by Councilor Gruben, Seconded by Councilor D. McDermott, **"I move Consent agenda items (a) through (c) be approved by Omnibus vote as recommended."**
Voting Yea: T. McDermott, Hayes, D. McDermott, Gruben, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 7-0.

3. **Public Hearing concerning the intent of the Council to issue General Obligation Bonds (Electric System Alternate Revenue Source) of the City in an amount not to exceed \$5,200,000 for the purpose of paying the costs of improving the City's electric system.** The purpose of the hearing will be to receive public comments on the proposal to sell bonds of the City in an amount not to exceed \$5,200,000 to finance infrastructure improvements in the City's electric system including but not limited to the Centerpoint substation, the diesel plant feeder exits, and several residential underground projects that will be necessary in the next few years. Rather than deplete the cash reserves, staff recommends taking advantage of the low interest rate environment and issue bonds. The debt service payments will be paid out of operating revenues. This will reduce the percentage of rate increases to our customers. Superintendent of Electric Operations Blake Toliver was available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor Hayes, **"I move the Council recess into a Public Hearing concerning the intent of the Council to issue General Obligation Bonds (Electric System Alternate Revenue Source) of the City in an amount not to exceed \$5,200,000, for the purpose of paying the cost of improving the City's electric system."** Voting Yea: T. McDermott, Hayes, D. McDermott, Gruben, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 7-0. No public comments were made. Motion made by Councilor D. McDermott, Seconded by Councilor Arteaga, **"I move the Council return into open session."** Voting Yea: T. McDermott, Hayes, D. McDermott, Gruben, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 7-0.

2. **An Ordinance Authorizing the Issuance of Electric Revenue Bonds of the City in an Amount not to Exceed \$5,200,000, or in lieu thereof, General Obligation Bonds (Electric System Alternate Revenue Source) in an amount not to exceed \$5,200,000, for the Purpose of Paying the Costs of Improving the City's Electric System.** Staff has identified several infrastructure projects including but not limited to the Centerpoint substation, the diesel plant feeder exits, and several residential underground projects that will be necessary in the next few years in the electric department. Rather than deplete cash reserves, staff recommends taking advantage of the low interest rate environment and issue bonds. The debt service payments will be paid out of operating revenues. This will reduce the percentage of rate increases to our customers. The authorizing ordinance is the first step in the process of determining if this option is feasible for the City of Rochelle. The City's financial advisors anticipate rates in the 3.60% range and the debt service term will be 15 years. The anticipated debt service payments will be approximately \$450,000 annually. City Manager Jeff Fiegenschuh was available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor Shaw-Dickey, **"I move Ordinance 23-5406, An Ordinance Authorizing the Issuance of Electric Revenue Bonds the City in an amount not to Exceed \$5,200,000, or in lieu thereof, General Obligation Bonds (Electric System Alternate Revenue Source) in an amount not to exceed \$5,200,000, for the Purpose of Paying the Costs of Improving the City's Electric System, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Gruben, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 7-0.

4. **A Resolution Authorizing the City Manager to Enter into a Reciprocal Agreement on Exchange of Information with the Illinois Department of Revenue for Sales Tax.** The City of Rochelle receives sales tax each month from the State of Illinois. Staff can view the categories of sales tax on the Illinois Department of Revenue website. The categories are: General Merchandise, Food, Drinking and Eating Place, Apparel, Furniture/Household/Radio, Lumber/Building/Hardware, Automotive/Filling Stations, Drugs/Miscellaneous Retail, Agriculture/All Other, and Manufacturers. By signing the Reciprocal Agreement, it will allow staff to view sales tax for specific retailers. The Agreement includes a confidentiality clause so the information received will not be shared outside the organization. Staff will be able to analyze the data and have a better understanding of the sales tax receipts. Finance Director Chris Cardott was available for questions. Motion made by Councilor Arteaga, Seconded by Councilor T. McDermott, **"I move Resolution R23-62, a Resolution Authorizing the City Manager to Enter Into a Reciprocal Agreement on Exchange of**

information with the Illinois Department of Revenue for Sale Tax, be approved." Voting Yea: T. McDermott, Hayes, D. McDermott, Gruben, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 7-0.

5. **A Resolution Authorizing the City Manager to Enter Into a Reciprocal Agreement on Exchange of Information with the Illinois Department of Revenue for Telecommunications Tax.** The City of Rochelle receives telecommunications tax each month from the State of Illinois. The tax is imposed intrastate messages as well as interstate messages (i.e. those that originate or terminate in Illinois and are billed to a service address in Illinois). The types of telecommunications which are taxable include but are not limited to, messages or information transmitted through use of local, toll, or wide area telephone services; private line services; channel services; telegraph services; teletypewriter; computer exchange services; cellular mobile telecommunication services; specialized mobile radio; stationary two-way radio; paging services; any other form of mobile and portable one-way or two-way communications; and any other transmission of messages or information by electronic or similar means. By signing the Reciprocal Agreement, it will allow staff to view telecommunications tax for specific retailers. The Agreement includes a confidentiality clause so the information received will not be shared outside the organization. Staff will be able to analyze the data and have a better understanding of the telecommunications tax receipts. Finance Director Chris Cardott was available for questions. Motion made by Councilor T. McDermott, Seconded by Councilor D. McDermott, **"I move Resolution R23-63, a Resolution Authorizing the City Manager to Enter Into a Reciprocal Agreement on the Exchange of Information with the Illinois Department of Revenue for the Telecommunications Tax, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Gruben, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 7-0.

6. **A Motion to Approve a One-Year Contract with V&C Cleaning for the City Hall and Police Department Facilities and Authorize the City Manager to Extend the Contract for Two Subsequent Years.** V&C Cleaning has provided cleaning services at City Hall and the Police Department for several years and staff is satisfied with the level of service provided. V&C will provide services 4-6 hours per day, four days per week at a rate of \$592.25 per week with a 3% increase annually. Director of Community Engagement/ Assistant to the City Manager Jennifer Thompson was available for questions. Motion made by Councilor Shaw-Dickey, Seconded by Councilor Arteaga, **"I move Council approve a One-Year Contract with V&C Cleaning for the City Hall and Police Department Facilities and Authorize the City Manager to Extend the Contract for Two Subsequent Years."** Voting Yea: T. McDermott, Hayes, D. McDermott, Gruben, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 7-0.

7. **A Resolution to Amend the City of Rochelle Handbook (Personnel Policies Manual) - Travel and Meal Expense Control Act Policy.** Request to Approve a Resolution to Amend the City of Rochelle Handbook (Personnel Policies Manual) The last Travel and Meal Expense Control Act Policy was approved in August 2017 and in 2018 was adopted into the Employee Handbook; Chapter 5 Other, Article S Travel & Meal Expense Control Act Policy. The current policy has been reviewed by Chris Cardott, Finance Director. The limits for the following were as follows: \$10 for breakfast, \$15 for lunch, and \$25 for dinner plus a 15% tip for overnight travel. Staff recommends changing the policy to a per diem of \$50 for whole days and \$25 on days for travel. Reimbursement for meals without overnight travel will be a per diem of \$25. This will reduce the burden on staff to retain receipts and for accounts payable for verifying all the expenses. Staff also recommends adding Valet Parking as an expense is non-reimbursable. Finance Director Chris Cardott was available for questions. Motion made by Councilor T. McDermott, Seconded by Councilor Gruben, **"I move Resolution R23-64, a Resolution to Amend the City of Rochelle Handbook (Personal Policies Manual) - Travel and Meal Expense Control Act Policy, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Gruben, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 7-0.

8. **An Ordinance Authorizing The City Manager To Execute A Pole Attachment Agreement With Digital Network Access Communications, Inc.** DNA (Digital Network Access) Communications recently approached the city asking for a pole attachment agreement. After several meetings determining exactly, what was needed for attachments our attorney drafted this agreement and it has been excepted by DNA. Once approved this will allow DNA to attach their network cables to Rochelle Municipal Utilities poles. This agreement allows DNA up to 2 feet of space on each pole for \$25 per year. If the pole is overloaded or doesn't have enough space for DNA's attachment, they are required to pay for the pole replacement. The agreement lasts for 10 years. This agreement will allow DNA to better serve their customers. We currently supply DNA with dark fiber within the city. City Manager Jeff Fiegenschuh was available for questions. Motion made by Councilor Gruben, Seconded by Councilor D. McDermott, **"I move Ordinance 23-5409, an Ordinance Authorizing the City Manager to Excute A pole Attachment Agreement with Digital Network Access Communications, Inc, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Gruben, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 7-0.
9. **An Ordinance Amending Article IV, Section 2-264 of the Municipal Code to "An Early Separation Incentive Program for Certain Employees of the City of Rochelle."** Since 2017 the City has offered early separation incentives as a cost-saving measure. Since the last plan was approved, the City/RMU has had 14 eligible employees participate. Of the 14 open positions, 5 have been replaced at new pay rates and insurance tiers. When the insurance subsidy for the last employee to separate ends the City/RMU will notice a savings of over \$1.7 million dollars. I would like to offer this program once again to generate further savings for the city. All participating employees who are either age 50 or over with 15 years of service OR age 60 or over and vested in their respective pension fund will receive two years of paid insurance from the city at their current level of coverage. Employees must enter into the agreement between March 14 and October 1, 2023, with a separation date of no later than December 31, 2024. Those qualifying positions left open by a separation will be consolidated into other positions, replaced with parttime personnel or replaced in full after 2 years. Several positions will need to be replaced immediately, but those will be done at a lower rate of pay and at the new 2nd tier insurance levels. The approximate savings for the 1st year, could be more than \$225,000, depending upon who participates and when. The estimate considers the early separation payment along with the insurance. Employees may exhaust or receive payment for any allowable accrued and unused vacation, personal or sick time. City Manager Jeff Fiegenschuh was available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor Arteaga, **"I move Ordinance 23-5410, an Ordinance Amending Article IV, Section 2-264 of the Municipal Code to "An Early Separation Incentive Program for Certain Employees of the City of Rochelle."** Voting Yea: T. McDermott, Hayes, D. McDermott, Gruben, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 7-0.
10. **An Ordinance Waiving Competitive Bidding for a Power Purchase Agreement.** Based on discussion and recommendations from our marketing firm IMPA, Rochelle has a 7x24 5MW need for June of 2023. With current long-term pricing uncertainties, a short-term contract is recommended. We would like to procure this contract to provide pricing stability for our rate payers. This authorization will have a not to exceed cost of \$45 per mWh. City Manager Jeff Fiegenschuh and Superintendent of Electric Operations Blake Toliver were available for questions. Motion made by Councilor T. McDermott, Seconded by Councilor Gruben, **"I move Ordinance 23-5411, an Ordinance Waiving Competitive Bidding for a Power Purchase Agreement, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Gruben, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 7-0.

VIII. EXECUTIVE SESSION: None.

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

John Bearrows, Mayor

Rose Huéramo, City Clerk