



MINUTES
CITY COUNCIL MEETING
Monday, February 12, 2024 at 6:30 PM

- I. **CALL TO ORDER:** Pledge to the Flag was led by Mayor Bearrows. Prayer was said by Deputy Clerk Jennifer Thompson.
- II. **ROLL CALL:** Present were Councilors Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor John Bearrows. Absent: Councilor T. McDermott. A quorum of six was present. Also, present City Manager Jeff Fiegenschuh, Deputy City Clerk Jennifer Thompson, and City Attorney Dominick Lanzito.
- III. **PROCLAMATIONS, COMMENDATIONS, ETC:** None.
- IV. **REPORTS AND COMMUNICATIONS:**
 1. Mayor's Report: Thoughts and prayers for the passing of Don Vogeler, a former Councilman and community volunteer.
 2. Golf Course Advisory Board Appointment - Lance Charnock
Motion made by Councilor D. McDermott, Seconded by Councilor Shaw-Dickey, **"I move Council approve the Mayor's appointment of Lance Charnock to the Golf Course Advisory with a term to expire July 1, 2025."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.
 3. Council Members: None.
- V. **PUBLIC COMMENTARY:** None.
- VI. **BUSINESS ITEMS:**
 1. **CONSENT AGENDA ITEMS BY OMNIUS VOTE with Recommendations:**
 - a) Approve Minutes of City Council Meeting - 1/22/24
 - b) Approve Payment Registers - 209772-209838, 209854-209932, 209933-210015
 - c) Approve Payroll - 1/8/24-1/21/24
 - d) Approve Special Event Request - Girl Scout Cookie BoothMotion made by Councilor Hayes, Seconded by Councilor Arteaga, **"I move consent agenda items (a) through (d) be approved by Omnibus vote as recommended."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

Motion made by Councilor D. McDermott, Seconded by Councilor Valdivieso, **"I move business item # 5 be moved to the current location."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.
 5. **A Resolution Authorizing a Professional Services Agreement with Teska Associates, Inc.** As we strive to develop our corridors coming into our community, several areas continue to struggle with vacancies and blight. Specifically, the Caron Ridge Shopping Center in our Eastern corridor has been vacant for multiple years. To assist with the progression of development within this area, the City is exploring economic development tools that would aid in addressing these vacant properties. A Tax Increment Financing District and a Business Development District are economic development tools that can assist with developing areas that have been vacant for years. Teska & Associates have put together a consulting agreement to assist with the creation of a TIF and BD District. The total estimated fee is approximately \$20,000. This fee will include 4 workshops, 1 public hearing and all required text revisions identified within the Plan. Michelle Pease, Community Development Director and Pete Teska were available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor Valdivieso, **"I move Resolution R24-07, a Resolution Authorizing a Professional Services Agreement with Teska Associates, Inc. be approved."** Voting Yea: Hayes,

D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

2. **An Ordinance Authorizing the Notice of Intent to Award Contract to Williams Brothers Construction, Inc.** The city held a bid opening on December 21st, 2023, for the phase 2 wastewater treatment plant upgrades and received 2 proposals. Each bid was opened and read aloud with base bids ranging from \$10,670,000 to \$11,675,000. The engineering cost estimate was \$8,705,000 with the base bid 22.6% over that estimate. This project was originally bid in 2022 and after rejecting the bids due to the excessive costs a redesign was done to reduce the overall cost. This project will be financed through the IEPA WPCRF program and currently includes \$3.4 million in principal forgiveness and a 20-year term at 1.36%. Willet Hoffmann conducted a rate analysis to determine the cost impact to users over the next 5 years and ranges from 2.2% to 3.2% annual increases to cover the loan payment plus all additional O&M costs. These projected rate increases fall within the projections from the previous rate analysis. The first step in project approval is to sign a notice of intent to award the project contingent on the IEPA issuing the loan agreement. Superintendent of Water/Water Reclamation Adam Lanning was available for questions. Motion made by Councilor Arteaga, Seconded by Councilor D. McDermott, **"I move Ordinance 24-5463, an Ordinance Authorizing the Notice of Intent to Award Contract to Williams Brothers Construction, Inc. be approved."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.
3. **A Resolution Authorizing a Loan Agreement with the IEPA.** After authorizing a notice of intent, the City must approve a Water Pollution Control Revolving Fund loan agreement with the IEPA to secure funding for the WWTP upgrades. The total project cost is as follows: Construction \$10,670,000 for the low bid. Contingency (3%) \$320,100 per IEPA loan guidelines. Engineering \$650,500, Total Cost \$11,640,600, Principal Forgiveness \$3,492,180, Total Amount to Repay \$8,148,420. The annual repayment after principal forgiveness will be \$468,100 and the City will not begin repayment until the project is complete. The term of the loan is 20 years at 1.36% and we anticipate IEPA final approval of the loan in March 2024. Superintendent of Water/Water Reclamation Adam Lanning was available for questions. Motion made by Councilor Valdivieso, Seconded by Councilor Shaw-Dickey, **"I move Resolution R24-06, a Resolution Authorizing a Loan Agreement with the Illinois Environmental Protection Agency, be approved."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.
4. **An Ordinance Accepting and Approving the Proposal of Williams Brothers Construction, Inc. Pursuant to the Request for Bids for Phase II of Water Reclamation Plant Improvements.** After authorizing a notice of intent and approval of a loan agreement with the IEPA to secure funding for the WWTP upgrades, the final step for project approval is a construction contract with Williams Brothers Construction in the amount of \$10,670,000 for the base bid. Approval of this contract is contingent upon final approval and acceptance of a loan agreement with IEPA that will cover design, construction and contingency for the project. Superintendent of Water/Water Reclamation Adam Lanning was available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor Valdivieso, **"I move Ordinance 24-5464, and Ordinance Accepting and Approving the Proposal of Williams Brothers Construction, Inc. Pursuant to the Request for Bids for Phase II of Water Reclamation Plant Improvements, be approved."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.
6. **A Resolution Approving the Proposal from Bruns Construction, Inc for the Demolition of 517 West 4th Avenue.** As we strive to develop our corridors coming into our community, several areas continue to struggle with vacancies and blight. Specifically, the Caron Ridge Shopping Center in our Eastern corridor has been vacant for multiple years. To assist with the progression of development

within this area, the City is exploring economic development tools that would aid in addressing these vacant properties. A Tax Increment Financing District and a Business Development District are economic development tools that can assist with developing areas that have been vacant for years. Teska & Associates have put together a consulting agreement to assist with the creation of a TIF and BD District. The total estimated fee is approximately \$20,000. This fee will include 4 workshops, 1 public hearing and all required text revisions identified within the Plan. Michelle Pease, Community Development Director was available for questions. Motion made by Councilor Shaw-Dickey, Seconded by Councilor D. McDermott, **"I move Resolution R24-08, a Resolution Approving the proposal from Bruns Construction, Inc. for the Demolition of 517 West 4th Avenue, be approved."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

7. **A Resolution Amending the Customer Self-Generation Net Metering Policy and Updating Rider 4 - Interconnection and Net Metering Program for Renewable Energy.** CEJA (Climate and Equitable Jobs Act) requires utilities to review their solar credits to customers annually. IMUA/IMEA have put together a list of fair credit values for each utility to use. The 2024 credit will be set at \$.0398per kWh. When the original policy was approved in 2022 the rider was supposed to include language that allowed the city manager to adjust the rate annually based on IMUA/IMEA recommendations to keep in line with CEJA. Unfortunately, this did not occur. The new resolution addresses this issue and sets the new rate listed above. Jeff Fiegenschuh City Manager was available for questions. Motion made by Councilor Valdivieso, Seconded by Councilor Arteaga, **"I move Resolution R24-09, a Resolution Amending the Customer Self-Generation Net Metering Policy and Updating Rider 4 - Interconnection and Net Metering Program for Renewable Energy, be approved."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.
8. **A Resolution Authorizing and Approving a Farm Management Agreement.** Over the past 5 years, the city has purchased ~50 acres through First Mid Ag Services, a Division of First Mid Wealth Management Company for future City of Rochelle Railroad (CIR) expansions, which includes the Rochelle Intermodal Transload Center expansion, the future construction of a rail bridge, and a 200-ft wide 1.3-mile strip of land for future rail construction. These parcels lie adjacent to the farm First Mid Ag Services has managed for more than a decade and over the past 3 years has leased it from the city. While plans for using this land for future rail growth are ongoing, staff would like to continue to lease the land for the purpose of farming it. The City pays 6% of gross revenues to the farm manager. Jeff Fiegenschuh City Manager was available for questions. Motion made by Councilor Shaw-Dickey, Seconded by Councilor Arteaga, **"I move Resolution R24-10 a Resolution Authorizing and Approving a Farm Management Agreement Between First Mid Ag Services, a Division of First Mid Wealth Management Company and the City of Rochelle, be approved."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso Mayor Bearrows. Nays: None. Motion passed 6-0.
9. **A Resolution Waiving Competitive Bidding Requirements and Accepting the Proposal from Daupler Inc.** Motion made by Councilor D. McDermott, Seconded by Councilor Hayes, **"I move Council table business item # 9 to a later date."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.
10. **A Resolution Authorizing the Retention of Utility Financial Solutions, LLC for a Cost-of-Service Study, Value of Time of Use Study, Green Energy Rate, and Line Extension Policy.** The City would like to engage UFS, LLC for a Cost-of-Service Study, Value of Time of Use Study, Green Energy Rate, and Line Extension Policy. Our last cost of service study was completed in 2020. It is recommended that this study is done once every 3 to 5 years. With the volatility of the market and our ongoing generation study it was recommended that we complete a new cost of service study. While having discussions on the COS study it was also recommended that we investigate a green

energy rate and residential time of use rates. These rates are becoming increasingly prevalent with electric vehicles and the switch to green energy. The line extension policy will also be updated for any new customer seeking to connect to our system. UFS is a trusted partner and has the knowledge and expertise to complete the desired work. Jeff Fiegenschuh City Manager was available for questions. Motion made by Councilor Arteaga, Seconded by Councilor Shaw-Dickey, **"I move Resolution R24-12, a Resolution Authorizing a Professional Services Agreement with Utility Financial 24 Solutions, LLC, be approved."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

11. **Rte. 38 Substation Switchgear Purchase Recommendation.** 2/12/24 We are bringing this back to council due to an error on the bid cover sheet. The numbers were transposed, and the bid was entered as \$2,672,000 whereas the actual proposal was \$2,762,000. We are asking that the ordinance be amended and approved for the correct dollar amount. The City received and opened bids on December 05, 2023 for the switchgear purchase, a part of the Rte. 38 Substation project. A total of one (1) bid was received and has been reviewed for completeness and ability to meet specification requirements. Below is a summary of the total bid upon review of their documents.

Bidder	Total Bid Price	Alternate Option Adder	Lead Time
Avail/AZZ	\$2,762,000	\$637,000.00	77 weeks

The bid from Avail/AZZ was the only bid at \$2,762,000 for Specification 2008K002, no major exceptions were listed. The bid does include material and labor escalator language since the leadtime is so long. Avail/AZZ has a good list of reference completed projects. The company appears to be in good standing and employs certified and trained craftsmen. The low bid is over the Engineer's estimate of \$1,800,000 for the contract. Unfortunately, electric utility materials continue to increase rapidly. The city does need to expand their system with this Rte. 38 substation, and we do not see pricing come down anytime soon. Therefore, BHMGM recommends awarding the contract to Avail/AZZ for the supply of the switchgear and evaluate purchasing the adder later. Jeff Fiegenschuh City Manager was available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor Valdivieso, **"I move Ordinance 24- 5465, an Amended Ordinance Accepting and Approving the Proposal of Central Electrical Manufacturing Company Pursuant to the Request for Proposal for the Purchase of Switchgear, be approved."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

VII. **DISCUSSION ITEMS:** None.

- VIII. **EXECUTIVE SESSION:** At 7:07 P.M. Motion made by Councilor D. McDermott, Seconded by Councilor Hayes, **"I move the Council recess into executive session to discuss the appointment, employment, compensation, discipline, performance and/or dismissal) of specific employee(s), Section (c) (1), pending or imminent litigation. Sec (c) (11), and the purchase or lease of real property for City's use, Section (c) (5)."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

At 8:07 P.M. Motion made by Councilor D. McDermott, Seconded by Councilor Shaw-Dickey, **"I move Council return to open Session."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

- IX. **ADJOURNMENT:** At 8:07 P.M. Motion made by Councilor D. McDermott, Seconded by Councilor Arteaga, **"I move the Council adjourn."** Voting Yea: Hayes, D. McDermott, Shaw-Dickey, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.