



**MINUTES**  
**CITY COUNCIL MEETING**  
**Monday, September 25, 2023 at 6:30 PM**

- I. CALL TO ORDER:** Pledge to the Flag was led by Mayor Bearrows. Prayer was said by Pastor Chris Bender.
- II. ROLL CALL:** Present were Councilors T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor John Bearrows. Absent: Councilor Shaw-Dickey. A quorum of six were present. Also, present City Manager Jeff Fiegenschuh, Deputy City Clerk Jennifer Thompson.
- III. PROCLAMATIONS, COMMENDATIONS, ETC:** Public Power Week October 1 - 7, 2023
- IV. REPORTS AND COMMUNICATIONS:**
1. Mayor's Report: None.
  2. Council Members: None.
  3. Swearing-In Ceremony - Firefighter Trey Lodico
- V. PUBLIC COMMENTARY:** None.
- VI. BUSINESS ITEMS:**
1. **CONSENT AGENDA ITEMS BY OMNIUS VOTE with Recommendations:**
    - a) Approve Minutes of City Council Meeting - 9/11/23
    - b) Approve Payroll - 8/21/2023
    - c) Approve Check Registers - 207847-207938, 207942-208015
    - d) Approve Special Event Request - Lions Candy Day
    - e) Approve Special Event - VFW Steak Cook Off
    - f) Accept and Place on File - August Financials

Motion made by Councilor D. McDermott, Seconded by Councilor Arteaga, **"I move consent agenda items (a) through (f) be approved by Omnibus vote as recommended."** Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.
  2. **Public Hearing - CDBG Grant Closeout Grant # 20-242016.** The purpose of this public hearing is to report the results of the grant project and give residents of the City of Rochelle an opportunity to comment on the project. The Community Development Block Grant funds were used to line sanitary sewers in the Northeast Rochelle target area (see sewer lines shown in pink on the attached map). The grant funds that the City received were combined with local funds to line 8,596 linear feet of existing sanitary sewers, line 72.6 vertical feet of sanitary manholes, and replace 2 sanitary manholes. Engineering and grant administration costs were paid with City of Rochelle local funds. The purpose of the project was to eliminate the sewer back-ups and by-pass pumping that have occurred in the northeast Rochelle target area during periods of intense or extended precipitation due to sewer surcharging caused by inflow and infiltration of groundwater into deteriorated sewers. Superintendent of Water/Water Reclamation Adam Lanning was available for questions. Motion made by Councilor Hayes, Seconded by Councilor T. McDermott, **"I move the Council recess into a Public Hearing to report the results of the Community Development Block Grant funds, (grant #20-242016)."** Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0. Motion made by Councilor Hayes, Seconded by

D. McDermott, **"I move Council return to open session."** Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

3. **An Ordinance Amending Article IV Sewers and Sewage Disposal of Chapter 98 Utilities and A Resolution Establishing Sanitary Sewerage and Wastewater Rates Effective 9/11/2023.** As of 2019, the water reclamation facility received numeric discharge limits on the permit which will require us to remove phosphorous by 2030. We made modifications to the treatment plant to meet the new requirements but have since realized that we will be unable to meet them with the large industrial impact our plant receives. To better regulate industries, we have hired a full-time pretreatment tech, purchased monitoring equipment and lastly, need to update the ordinance which provides the City the appropriate authority to do so. The current ordinance was adopted in the 1990's and does not reflect the needs of the water reclamation department. In addition, the proposed ordinance will allow the City to better monitor and regulate restaurants (when needed) from contributing oil and grease to the sewer system. The pretreatment program included in this ordinance will meet the USEPA standards if Rochelle is ever mandated to do so. Lastly, the program expenses will be covered by the industries through a permit fee structure which is based on the discharge volume and testing requirements. Included in this recommendation is to also adopt a resolution updating the current rate structure which will implement a permit application fee for associated industries. Superintendent of Water/Water Reclamation Adam Lanning was available for questions. Motion made by Councilor Valdivieso, Seconded by Councilor Hayes, **"I move Ordinance 23-5437, an Ordinance Amending Article IV - Sewers and Sewage of Chapter 98 - Utilities, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0. Motion made by Councilor T. McDermott, Seconded, by Hayes, **"I move Resolution R23-99, a Resolution Establishing Rates for Sanitary Sewerage, Wastewater Treatment and Pretreatment, be approved."** Voting Yea: T. McDermott, Hayes D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

4. **An Ordinance Waiving Competitive Bidding and Authorizing the City Manager to Enter into a Power Purchase Agreement for 2023-2025.** Based on discussion and recommendations from our marketing firm IMPA, Rochelle has a 7x24 5MW need for November 2023- February 2024, June 2024, November 2024- February 2025, and June of 2025. With current long-term pricing uncertainties, short-term contracts are 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 \$60 per mWh.

Forward Date:	9/12/2023		Contract Size:	5			
	Current NI_HUB Forwards			Current NI_HUB Forwards			
Hours		7x24	5 MW		7x24	5 MW	
720	Nov-23	\$ 36.17	\$ 130,215		Nov-24	\$ 39.07	\$ 140,662
744	Dec-23	\$ 47.54	\$ 176,855		Dec-24	\$ 47.83	\$ 177,915
744	Jan-24	\$ 59.49	\$ 221,306		Jan-25	\$ 54.23	\$ 201,734
696/672	Feb-24	\$ 51.23	\$ 178,284		Feb-25	\$ 49.11	\$ 165,004
720	Jun-24	\$ 38.05	\$ 136,971		Jun-25	\$ 39.65	\$ 142,749
			\$ 843,631				\$ 828,064
					Total:	\$	1,671,696

Jeff Fiegenschuh City Manager and Blake Toliver Superintendent of Electric Operations attended remotely, both were available for questions. Motion made by Councilor Arteaga, Seconded by

Councilor D. McDermott, **"I move Ordinance 23-5438, an Ordinance Waiving the Competitive Bidding Requirements and Authorizing the City Manager to Enter into a Power Purchase Agreement for Five Megawatts of Power at a Price Not to Exceed \$60 per Megawatt Hour, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nay: None. Motion passed 6-0.

5. **A Resolution Accepting the Grant Writing Proposal from Baker and Tilly for The ERA Fixed Award Grant Project.** Bakertilly was contracted to help Rochelle Municipal Utilities with the pre-application for a department of energy grant to assist with rebuilding two existing areas of infrastructure in our service territory. The department of energy has accepted our pre-application and we have been invited to submit the full application. Bakertilly has submitted a proposal not to exceed \$30,000 to assist in writing this submission for the utility. We think it would be best to move forward with this proposal as it gives us the best shot at receiving these funds. The two projects this will fund are the diesel plant feeder tree replacement and the Westview Drive underground installation. The grant would be nearly \$2,000,000 if received. Blake Toliver Superintendent of Electric Operations was available for question. Motion made by Councilor T. McDermott, Seconded by Councilor Arteaga, **"I move Resolution R23-100, a Resolution Accepting the Grant Writing Proposal from Baker and Tilly for the Era Fixed Award Grant Project, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.
  
6. **An Ordinance Accepting and Approving the Proposal from Larson and Larson Builders, Inc for the 1030 Building Improvements Project.** Proposals for the Rochelle Municipal Utilities Building Improvements Project were opened in the Rochelle City Hall Council Chambers at 3:00PM on Wednesday, September 6, 2023. The project was publicly advertised on August 9, 2023, in the Rochelle News Leader. A pre-bid meeting was held on August 16, 2023, and twelve (12) contractors and two (2) plan rooms requested and were provided bid documents. Six (6) proposals were received, opened, and read aloud. The apparent low bidder for the project was Larson and Larson Builders, Inc of Loves Park, Illinois with a bid proposal (Base Bid plus Alternate Bids 1 and 2) of \$1,092,000.00 Willett Hoffman the project engineer and architect has had discussions with and confirmed the scope of work, material quantities, project schedule and procedure with the bidder. Based on the information obtained during the interview the contractor has the experience, capability, forces, and equipment to perform the work competently and completely per the requirements specified in the bid documents. After review of the information Willett Hoffman recommends awarding the project to the apparent low bidder Larson and Larson Builders, Inc. This project will be a multi-year project with \$900,000 in the 2023 budget and the rest to be paid out of the upcoming 2024 budget. We would also like to ask for a 10% project variance that would allow the city manager to approve any unexpected costs during the duration of the project. Blake Toliver Superintendent of Electric Operations was available for question. Motion made by Councilor T. McDermott, Seconded by Councilor D. McDermott, **"I move Ordinance 23-5439, an Ordinance Accepting and Approving the Proposal from Larson & Larson Builders Inc. for RMU Building Improvements, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.
  
7. **A Resolution Adopting an Electric Operations Loss Reserve Fund Policy.** The Electric Operations department seeks to gain approval for implementation of a Loss Reserve Fund Policy. The purpose of this Policy is to self-insure Electric Operations property assets equal to the amount of the insurance policy's deductible. Overall, particularly, within the Electric Operations department, the City of Rochelle is facing substantial insurance premium increases due to inflation, valuation adjustments, supply chain issues, climate change, and a significant claim experienced by Electric Operations on the power generating side in 2020. This Policy would provide Electric Operations the ability to offset the cost of high and increasing insurance premiums, and the opportunity to earn

interest which could be used for other purposed within the department. The Policy is attached to the Resolution for review. HR risk and safety coordinator Brittney Zick was available for questions. Motion made by Councilor Valdivieso, Seconded by Councilor T. McDermott, "**I move Resolution R23-101, a Resolution Adopting an Electric Operations Loss Reserve Fund Policy, be approved.**" Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

8. **A Resolution Authorizing Bearrows Real Estate & Auction Co. to Auction Surplus Personal Property Owned by the City of Rochelle.** Periodically, it is necessary for staff to identify items in City facilities that are no longer needed and remove them from inventory/storage. These items will be sold at a local auction to be held online. Bearrows Real Estate & Auction Co. has offered to hold the auction at no cost to the City of Rochelle. Auction proceeds will be utilized to fund the purchase of additional holiday décor throughout the community. Items to be sold include bicycles, equipment, furniture, and miscellaneous office items. Jenny Thompson, Director of Community Engagement/Assistant to the City Manager was available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor T. McDermott, "**I move Resolution R23-102, a Resolution Authorizing Bearrows Real Estate & Auction Co. to Auction Surplus Personal Property, be approved.**" Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso. Voting Abstaining: Mayor Bearrows Nays: None. Motion passed 5-1abstain
9. **An Ordinance Accepting and Approving the Proposal of Martin and Company Excavating for the 2023 Creston Road Improvements.** The Engineering Department is developing a large-scale pavement resurfacing project along Creston Road later in 2024 The project will extend along Creston Road from the I-39 overpass to Caron Road and north along Caron Rd to the UPRR. This project will be utilizing STU Federal grant funds, administered by IDOT, as it meets the necessary design criteria for a maintenance functional overlay LAFO project. However, while conducting field analysis and other supporting documentation on the section it was determined that approximately 1500' would need to be reconstructed to meet minimum base course requirements before the LAFO project could be approved. Subsequently, Engineering programmed the reconstruction in the 2023 budget within this area of the bridge approach. The project plans and specifications were developed by the City Engineering Department and advertised in the Rochelle News leader, and on the City website. Bids were publicly opened and read aloud on August 30th at 10:00am for the above referenced project. Two separate bids were received as follows:
- Martin and Company Excavating submitted bid for the improvements in the amount of \$444,735.50.
  - Curran Contracting Company submitted a bid for the improvements in the amount of \$573,215.00.

The low Base bid is approximately 9% lower than the Engineer's estimate of cost. The project will be funded through the CIP funds. Furthermore, given the favorable contract unit prices for multiple construction items it is recommended that approval be given to the City Manager and/or the City Engineer to negotiate further change order work, not to exceed \$46,000, within the proposed bid contract prices to facilitate other improvements and upgrades to streets adjacent to this project. It is anticipated the construction project will be substantially complete by the end of November 2023. However additional time will be granted for any additional work. Sam Tesreau, City Engineer was available for questions. Motion made by Councilor Hayes, Seconded by Councilor D. McDermott, "**I move Ordinance 23-5440, an Ordinance Accepting and Approving the Proposal of Martin and Company Excavating for the 2023 Creston Road Improvements, be approved.**" Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

- 10. A Resolution Authorizing a Fourth Amendment to the Annexation Agreement with Prologis.** The Third Amendment to the Annexation Agreement with Prologis identified certain infrastructure improvements to be completed by the developer along Caron Court and Ritchie Road adjacent to Lot 2 of the Prologis Park Rochelle Unit 4 subdivision. Two of the items are construction of a sidewalk along Caron Court and a shared use path along the north side of Steward Rd from Caron Court to near Ritchie Road. Prologis has since sold the remaining Lot 2 within the above referenced subdivision and has maintained surety with the City for such items. After conversation with the developer's representative and in order to release the surety, the developer has committed to pay the applicable portion of the estimated construction costs as determined by the City Engineer and detailed in the 4th Amendment. The two projects will become a City project and will be completed by the end of December 2025. Lastly, Prologis will reimburse the City for its portion of cost of certain street light installation along Steward Rd from Caron Court to Ritchie Road. Prologis will pay the City \$171,845.50 for its portion of the outstanding infrastructure items expenses related to the street light installation which will satisfy the terms of the Annexation Agreement. Sam Tesreau, City Engineer was available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor Arteaga, **"I move Resolution R23-103, a Resolution Authorizing a Fourth Amendment to the Annexation Agreement with Prologis, be approved."** Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

- VII. DISCUSSION ITEMS:** 509 Lincoln Highway - Community Development Director Michelle Pease provided an update on the mitigation plan for the 509 Lincoln Highway location.
- VIII. EXECUTIVE SESSION:** At 7:30 P.M. Motion made by Councilor T. McDermott, Seconded by Councilor D. McDermott, **"I move the Council recess into executive session to discuss the purchase/sale of real estate and potential litigation, 5 ILCS 120/2(c)(5) and 5 ILCS 120/2(c)(11)."** Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0. At 8:25 P. M. Motion made by Councilor D. McDermott, Seconded by Councilor T. McDermott, **"I move Council return to open session."** Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.
- IX. ADJOURNMENT:** At 8:26 P.M. Motion made by Councilor Hayes, Seconded by Councilor D. McDermott, **"I move the Council adjourn."** Voting Yea: T. McDermott, Hayes, D. McDermott, Arteaga, Valdivieso, and Mayor Bearrows. Nays: None. Motion passed 6-0.

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John Bearrows, Mayor

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Jennifer Thompson, Deputy City Clerk