



MINUTES
CITY COUNCIL MEETING

Monday, January 26, 2026 at 6:30 PM

City of Rochelle Council Chambers—420 North 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, and Mayor John Bearrows. Absent: Councilor Ben Valdivieso. A quorum of six were present. Also, present Interim City Manager Sam Tesreau, Deputy City Clerk Rosie Belmonte, and City Attorney Dominick Lanzito.
- III. PROCLAMATIONS, COMMENDATIONS, ETC:** None.
- IV. REPORTS AND COMMUNICATIONS:**
 - 1. Mayor's Report:** Mayor announced that Industrial Task Force meetings will be overseen by Tricia Herrera with Chambers, with the first meeting scheduled for 1/28 at 8:00 a.m. at 402 Cherry Avenue. Mayor recognized Blake Toliver, the Electric Department, and RMU for receiving the RP3 Gold Designation Award from the American Public Power Association. Mayor also shared appreciation from the family of Spud Supancic, for all agencies involved in the January 18 house fire response and recovery efforts.
 - 2. Council Members:** Councilwoman Shaw-Dickey expressed thanks and offered prayers for the safety of public utility and public safety workers, as well as all those working in cold conditions to serve the community.
- V. PUBLIC COMMENTARY:** None.
- VI. DISCUSSION ITEMS:** None.
- VII. BUSINESS ITEMS:**
 - 1. CONSENT AGENDA ITEMS BY OMNIBUS VOTE with Recommendations:**
 - a) Approve City Council Meeting Minutes - 1/12/2026
 - b) Approve Payroll - 12/22/2025 - 1/04/2026
 - c) Approve Payment Register - 1/12/2026, 1/20/2026
 - d) Approve Exception Payments - 1/14/2026
 - e) Accept & Place on File - November & December 2025 Financials
 - f) Approve Special Event Request - CAN Food Truck Festivals - 4/18/26, 10/17/26

Motion made by Councilor Hayes, Seconded by Councilor D. McDermott, **"I move consent agenda items (a) through (f) be approved by Omnibus vote as recommended."** Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0.
 - 2. An Ordinance Awarding a Contract to Michels for the Ritchie to Centerpoint Line.** BHMG Engineers, Inc., assisted the city with the competitive bidding process for the construction of the new 34.5kV transmission line connecting the Ritchie Road Substation to the new Centerpoint Substation. This project represents a key reliability investment for Rochelle Municipal Utilities by creating a direct transmission tie between two substations, improving redundancy, supporting system resiliency, and providing necessary capacity for future commercial and industrial growth in the western region of our territory. The project was publicly advertised in accordance with required procurement procedures. The bid notice was published in the Rochelle News Leader and sent directly to 24 potential contractors. Of those contacted, 12 firms formally responded regarding their bidding intentions, resulting in four sealed bids being submitted and opened at City Hall on December 18, 2025. The bids received were:

- Helm Electric – \$10,000,118.37 (Apparent Low Bid)
- Michels – \$11,890,929.51
- Intren – \$13,720,779.61
- JF Electric – \$15,694,174.00

BHMG conducted a detailed evaluation of the bids, including review of qualifications, project experience, and contractor references. While Helm Electric, the low bidder, submitted a complaint bid with no notable exceptions and received positive references, BHMG determined that Helm does not have a demonstrated track record completing projects of this size and complexity. Specifically, Helm has not previously constructed transmission projects involving 69kV infrastructure, large transmission-class poles, or comparable project length and technical requirements. Given that this project will serve as a critical backbone to Rochelle's electric system and represents essential infrastructure that must be constructed correctly and to high reliability standards, BHMG identified the lack of direct experience as a significant project risk. They emphasized the importance of using a contractor with substantial, proven experience in similar transmission line work to avoid potential quality, schedule, or performance issues that could result in long-term operational and financial impacts. The recommended bid amount of approximately \$11.89 million exceeds the April 2023 engineering estimate of \$7.99 million. BHMG noted that this variance reflects:

- Upgraded and more resilient line design to ensure long-term system stability
- Additional underground construction incorporated for aesthetic and security benefits
- Significant increases in material and construction market pricing since 2023

BHMG stated that the submitted bids are consistent with current industry pricing for this level of project design and construction. Superintendent of Electric Operations was available for questions. Motion made by Councilor Shaw-Dickey, Seconded by Councilor Arteaga, "I motion to move item number 5 to the current agenda position." Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0. Motion made by Councilor Shaw-Dickey, Seconded by Councilor Arteaga, "I move Ordinance 2026-05, an Ordinance Accepting the Proposal from Michel's Corporation for the Construction of the new transmission line connecting Ritchie Road and CenterPoint Substation, be approved." Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0.

3. An Ordinance Approving Interim City Manager Sam Tesreau as Authorized Signatory. The City of Rochelle maintains numerous bank and investment accounts at Central Bank, First State Bank, Holcomb Bank, Stillman Bank, IMET, and the Illinois Funds. These accounts include all City departments, including but not limited to Rochelle Municipal Utilities, the Rochelle Police Department, and other operating departments. Financial institutions require updated authorization forms whenever there is a change in authorized signers. Due to a change in the City Manager position, it is necessary to update the City's authorized signer list to remove Jeff Fiegenschuh and add Sam Tesreau. All other authorized signers remain unchanged. Staff recommends updating the authorized signer list as follows: Remove: Jeff Fiegenschuh, City Manager Add: Sam Tesreau, Acting City Manager The remaining authorized signers will continue to be: Rose Hueramo, City Clerk Matt Hoffman, Finance Director John Bearrows, Mayor. Finance Director Matt Hoffman was available for questions. Motion made by Councilor Shaw-Dickey, Seconded by Councilor Arteaga, "I motion to move item number 8 to the current agenda position." Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0. Motion made by Councilor D. McDermott, Seconded by Councilor T. McDermott, "I move Ordinance 2026-07, an Ordinance Approving Sam Tesreau Interim City Manager and Authorized Signatory, be approved." Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0.

4. A Resolution Authorizing an Agreement (Extension) with the Lee County Industrial Development Association for Continued Economic Development Services. An agreement was originally approved in July 2024, with an expiration date of December 2025, with LCIDA to provide

continual professional services related to Economic Development (ED) after the retirement of the City's former ED director in late 2024. Tom Demmer has been acting in that capacity, for LCIDA, since that time. He has been working closely with City staff on several ED opportunities here in Rochelle. To continue to expand our economic development initiatives and move the community forward through ED initiatives the recommendation is to city approve a contract extension with LCIDA to perform economic development assistance for the next 14 months to April 30, 2027. The contract will allow for up to 25 hours per week assisting the city manager with ED services. Contract Details:

- 14-month agreement to commence retroactively on January 1, 2026, and terminate April 30, 2027
- Annual fees are \$100,000.
- ED professional will attend all bi-weekly City leadership staff meetings and project meetings.
- ED professional will meet with the city manager weekly and will report to the city manager.
- ED professional will attend city council meetings as requested by the city manager and provide annual updates on ED initiatives to the city council.
- Either party may terminate the agreement with 90-day notification.
- LCIDA will indemnify the city, its elected officials and appointment staff and agents from all claims, suits, actions and fees due to neglect or willful misconduct of the LCIDA.
- LCIDA is responsible for all payroll and benefits. LCIDA will bill the city monthly.

Interim City Manager Sam Tesreau was available for questions. Motion made by Councilor T. McDermott, Seconded by Councilor Shaw-Dickey, "I move Resolution R2026-02, a Resolution Authorizing an Agreement (Extension) with the Lee County Industrial Development Association for Continued Economic Development Services, be approved." Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0.

5. **An Ordinance Placing a Moratorium on Imposing Fees for Residential Building Permits for Calendar Year 2026.** For 2019 and 2020, the City Council approved the waiving of building permit fees, sewer, water and electric connection fees for all new single-family residential construction. The savings per house on average is around \$400.00 for the building permit depending on the square footage, a \$700.00 sewer connection fee, and a \$50.00 electric connection fee for a total of \$1150.00. In addition to new construction, staff is requesting the extension of waiving the same fees for properties that have been vacant for 6 months or more, with a minimum investment of \$15,000. This additional request will assist with addressing blight in our community and encourage habilitation of existing housing. Staff is requesting the extension of the program till December 31, 2026, with the availability for the City Manager to extend to December 31, 2027. Building Inspector Geoff Starr was available for questions. Motion made by Councilor D. McDermott, Seconded by Councilor Shaw-Dickey, "I move Ordinance 2026-05, an Ordinance Placing a Moratorium on Imposing Fees for Residential Building Permits for Calendar Year 2026, be approved." Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0.

6. **A Resolution Authorizing and Approving a Farm Lease Agreement between Kevin Herrmann and the City of Rochelle AND Petry Farms and the City of Rochelle.** Over the past several years, the city has purchased 55 plus acres 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 south of the Lee/Ogle County line. The City approved a farm management agreement in early 2025 with Martin, Goodrich, Waddell, Inc. to manage said property and is automatically renewed for successive one-year terms thereafter unless either part gives no less than 30 days' written notice. 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. Two farm leases are proposed under this resolution and are attached as exhibits 1. The

City pays 6% of gross revenues, with fee being no less than \$1500, to the farm manager. Interim City Manager Sam Tesreau was available for questions. Motion made by Councilor Shaw-Dickey, Seconded by Councilor T. McDermott, "I move the Council to consider the agenda item regarding resolutions authorizing and approving Farm Lease Agreements between Kevin Herrmann and Petry Farms, and the City of Rochelle." Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0. Motion made by Councilor D. McDermott, Seconded by Councilor Hayes, "I move Resolution R2026-03, a Resolution Authorizing and Approving a Farm Lease Agreement between Kevin Herrmann and the City of Rochelle, be approved." Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0. Motion made by Councilor Hayes, Seconded by Councilor Shaw-Dickey, "I move Resolution R2026-04, a Resolution Ratifying and Approving a Farm Lease between Petry Farms and the City of Rochelle, be approved." Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0.

7. **A Resolution Authorizing an Amendment to the Redevelopment Agreement with Rochelle Hub, LLC regarding 1663 S. Main Street.** On October 28, 2024, the City approved the development agreement with Rochelle Hub, LLC, regarding property located at 1663 S Main Street. In this agreement, the developer requested the following timeline: Phase I is to be completed within one year of the effective date of this agreement. Phase II is to be completed within three years of the effective date of this agreement. Phase III is to be completed no later than five years of the effective date of this agreement. The Developer is requesting that Phase I be completed by June 30, 2026, due to weather restraints for 2025. Phase I includes the hard surface area on the corner of South Main Street and Steward Road. Phase II and III timelines will remain the same. Director of Community Development Michelle Pease was available for questions. Motion made by Councilor Arteaga, Seconded by Councilor T. McDermott, "I move Resolution R2026-05, a Resolution Authorizing an Amendment to the Redevelopment Agreement with Rochelle Hub, LLC Regarding 1663 S. Main Street, be approved." Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0.
8. **A Resolution Approving the Sale of Surplus Vacant Land.** Up Next Hospitality, Pratyush Patel (President) submitted a Letter of Intent (LOI) to purchase 2.5 acres of City owned property located at Technology Parkway (PIN#'s 25-17-300-025 and 25-17-300-026). The buyer shall purchase the property for Two Dollars (\$2.00) per square foot based on the actual surveyed land area to be purchased, as determined by the approved site plan. The purchase price is \$218,000.00. The proposed use of the property is for the development of a hotel. The City will split the costs of the plats for the property, which the developer can pay for and then identify as a credit at the closing. Director of Community Development Michelle Pease was available for questions. Motion made by Councilor T. McDermott, Seconded by Councilor D. McDermott, "I move Resolution R2026-06, a Resolution Approving the Sale of Surplus Vacant Land, be approved." Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0.

VIII. EXECUTIVE SESSION: None.

IX. ADJOURNMENT: At 6:57PM. Motion made by Councilor D. McDermott, Seconded by Councilor Shaw-Dickey, "I move the Council adjourn." Voting Yea: T. McDermott, Hayes, D. McDermott, Shaw-Dickey, Arteaga, and Mayor Bearrows. Nays: None. Motion passed 6-0.