

SYCAMORE CITY COUNCIL

AGENDA

August 19, 2002

City Council Committee Meetings

No Meetings Are Scheduled.

Regular City Council Meeting

7:30 P.M.

- 1. CALL TO ORDER**
- 2. INVOCATION**
- 3. PLEDGE OF ALLEGIANCE**
- 4. APPROVAL OF AGENDA**
- 5. AUDIENCE TO VISITORS**
- 6. CONSENT AGENDA**
 - A. Approval of the Minutes of the City Council Workshop Meeting of August 5, 2002;
 - B. Approval of the Minutes of the Regular City Council Meeting of August 5, 2002;
 - C. Payment of the Bills for August 19, 2002.
 - D. Plan Commission Minutes for the Meetings of June 10, 2002 and July 8, 2002.
 - E. Budget Report for the Period May 1, 2002 through July 31, 2002.
- 7. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. Presentation of Bronze Plaque to Frances I. Ridulph, Chuck and Diane Ridulph, Patricia (Ridulph) and Bill Quinn, Kay (Ridulph) and Lawrence Hickey. This plaque will be mounted on a permanent masonry base outside the Municipal Building and will replace the memorial that has been mounted on the building in honor of the memory of Maria Elizabeth Ridulph. Maria was kidnapped on December 3, 1957 while playing near her home and was found murdered in the spring of 1958. The original memorial, and this new memorial, honor her memory and the compassion of those law enforcement professionals and local residents who reached out to the family during their tragic experience.

- B. Recognition of Jean Tritle, Human Resource Director, for achieving certification as an Employee Benefit Specialist through the International Society of Certified Employee Benefit Specialists.

8. REPORTS OF OFFICERS

9. REPORTS OF STANDING COMMITTEES

10. PUBLIC HEARINGS--None

11. ORDINANCES

A. Ordinance No. 2002.32—An Ordinance Approving the Execution of a Lease Agreement Between the City of Sycamore and the Sycamore Pumpkin Festival Committee for the Lease of Certain real Estate for a Carnival in the City of Sycamore, Illinois. First and Second Reading.

The attached ordinance establishes a lease with Sycamore Pumpkin Festival, Inc. for \$1.00 for the use of the City parking lot at the southeast corner of Sacramento Street and State Street for the period beginning on Thursday, October 24, 2002 and ending on Sunday, October 27, 2002. The site is the traditional location for the carnival.

City Council approval is recommended.

B. Ordinance No. 2002.33—An Ordinance Amending the City Code of the City of Sycamore, Title 3, “Business and License Regulations,” Chapter 2, “Liquor Control,” Section 6, “Classification of Licenses, Fees, Hours and Days,” to Insert a New Paragraph H, “Outdoor Restaurant Liquor Sales,” in the City of Sycamore, Illinois. First and Second Reading.

The City Council’s Ordinance Committee considered two draft ordinances at the August 5 meeting that would establish the legislative or regulatory framework for the outdoor consumption of alcoholic beverages. One ordinance would change the liquor code, and the other would change pertinent passages in the Zoning Ordinance. The Ordinance Committee unanimously voted to direct the City Administrator to include the following provisions in the ordinance amending the liquor code:

- a) the outdoor area shall be enclosed with a non-barricade type fence or other barrier that allows viewing of the area from the street;
- b) the outdoor area shall be owned or leased by the licensee;
- c) the outdoor area shall be included as part of the regular food service business located on the licensed premises and alcoholic beverages may be served without food. The option of allowing the sale of liquor without food was debated at length before the Committee voted. This option was not supported by the Liquor Commissioner;
- d) access to the outdoor area shall be limited through the licensed

premises or, if not practicable, through monitored entrances that are controlled by employees and/or reasonable fencing of the licensed premises during all operating hours and/or while alcohol is being served.

- e) seating in the outdoor area shall not be included to meet the required guest seating capacity for any license classification as established in Section 3-2 of the City Code.
- f) no alcoholic beverages may be served on public property within a sidewalk cafe area;
- g) any music played in the outdoor area shall not exceed ordinance limits;
- h) the hours of outside operation shall be restricted to 9:00 p.m. on weekdays and 11:00 p.m. on weekends;
- i) outdoor service areas shall be permitted only on properties zoned “C-2,” Central Business and “C-3,” Highway Business.

In the Ordinance Committee discussion, Mayor Swedberg suggested some additional revisions. Specifically, the Mayor recommended:

- More detailed explanations of “restaurants” and “bars.”
- Some reference to a threshold of “proportional sales” of food and drink that would distinguish businesses as food service establishments.

The attached ordinance addresses these suggestions by defining a restaurant as an establishment whose gross receipts are “at least seventy-five percent (75%) from the sale of food and beverage, excluding alcoholic liquor, and no more than twenty-five percent (25%) . . . from the sale of alcoholic liquor.”

City Council direction is recommended.

C. Ordinance No. 2002.34—An Ordinance Amending the Zoning Ordinance of the City of Sycamore, Section 9.02, “C-2 Central Business District,” Paragraph 1, “Permitted Uses,” and Section 9.03, “C-3 Highway Business District,” Paragraph 1, “Permitted Uses,” to Permit the Conduct of a Business for the Sale and/or Consumption of Alcoholic Beverages in an Outdoor Area in the City of Sycamore, Illinois. First and Second Reading.

This ordinance would be a companion to Ordinance No. 2002.33 and would simply provide for outdoor restaurant liquor sales in “C-2” and “C-3” commercial zoning districts. Such uses would have to conform to the new provisions detailed in the liquor code, that are the subject of the preceding ordinance.

If the Council approves Ordinance No. 2002.33, approval of Ordinance No. 2002.34 is also recommended.

D. Ordinance No. 2002.35—An Ordinance Authorizing a One-Year Agreement with the Crum-Halsted Agency, Inc. to Act as a Broker in Providing Health Insurance for the City of Sycamore, Illinois. First and Second Reading.

The City's health insurance plan year extends from September 1 through August 30. In early July, insurance brokers who have in the past shown interest in providing health coverage to the City were contacted to submit proposals based on the current package of benefits. In recent weeks, City officials and the City's Health Committee which is generally representative of all departments and bargaining groups have reviewed a number of options. It should be noted that because of the relatively small size of our group, neither Blue Cross nor other private carriers will provide information about group claims until a month or so before the renewal date. This puts the City and its employees in a poor bargaining position, and also denies us access to claims information that would allow us to take more timely action to address costly trends in our group's use of health services.

The twelve-month claims period that formed the basis for the proposals ended on January 31, 2002. During that twelve-month period the City's loss ratio (the dollars in claims divided by the dollars in premiums) increased by 102.59%. The loss ratio for the previous year (February 1, 2000 through January 31, 2001) was 159.78% (the worst year in memory was the period February 1, 1999 through January 31, 2000 when the loss ratio was 248.03%). Insurers base their premiums on the average of the previous two years of experience. In Sycamore's case that means a loss ratio of 131.19%. The optimal loss ratio from the standpoint of insurance carriers is about 65%-70%. During the last premium year, the City had five large claims of \$25,000 or more which are still open.

In view of this claims experience, and the City's commitment to pay claims for a specific group of retirees that will potentially bring higher value claims in years ahead according to standard actuarial tables, the only competitive quote was received from the City's current insurer—Blue Cross Blue Shield. Eight other firms were approached. Six declined to offer a quote and the other two offered quotes of at least \$150,000 more per year. The current City premium is \$748,798. The new Blue Cross premium would be \$947,509. The next lowest quote was \$1,108,188.

As an alternative, the City's Human Resource Director Jean Tritle once again pursued the self-insurance option. Again, because of the City's past claims history and large population of retirees who are fully-insured at the City's expense, no third party administrators were interested in quoting.

Although Blue Cross offered lower quotes for basic plans that departed from the current benefit package in terms of coinsurance, copayments, and deductibles, the City can not depart from its current level of benefits without opening its collective bargaining agreements for re-negotiation. With the cooperation of all three of the City's bargaining units, a special meeting was held on August 6 to explore some minor insurance policy changes that might save the City and our employees some money. At that meeting, the City Administrator and Human Resource Director were

joined by J.C. Roach, president of AFSCME Local 3957, Jack Spartz, president of IAFF Local 3046, and Mike Larmon, president of FOP Lodge 133. The three union presidents had previously consulted with their memberships for direction. One proposed change was to increase the medical insurance plan copayments from \$10 to \$20 for an office visit and from \$50 to \$75 for an emergency room visit. While such a change would reduce the overall City premium by \$14,000 for FY03, it was likely that the higher out-of-pocket costs incurred by a number of our employees would offset any savings in terms of individual premium contributions, particularly for younger employees with children. After a cooperative discussion, it was determined that such a departure from the basic City benefit package would not be acceptable to the respective union memberships.

Because the first four months of FY03 fall under last year's premium price, the total premium cost for FY03 will be \$882,413.51 or \$181,866 (26%) over the total premium payments of \$700,548 in FY02. The FY03 General Fund Budget anticipated an increase of \$71,452 in fiscal year payments (as opposed to premium costs). A shortfall of \$110,414 will exist in terms of the General Fund's ability to cover the higher premium costs.

The Administrator sees no alternative to the Blue Cross contract that is attached, and recommends the Council's approval. The new premium rates are shown in the table below:

Enrollment*	New Monthly Rate	Employer Cost/Pay Period**	Increase in Employer Cost/Pay Period	Employee Cost/Pay Period	Previous Employee Cost/Pay Period	Increase in Employee Cost/Pay Period	Increase in Employee Cost for Year
Single (31)	369.62	170.59	33.84	0.00	0.00	0.00	0.00
Single + One (21)	722.08	308.87	64.43	24.40	19.00	5.40	140.43
Family (46)	1,074.56	447.15	95.02	48.80	38.01	10.79	280.63

*Excludes persons drawing Medicare.

**There are 26 pay periods in each fiscal year

Regarding the question of how we will fund the shortfall in health insurance funding, the Administrator proposes that we finance the difference out of the Employee Benefit Assistance Fund (Fund 23), after increasing the reserve for this special fund out of the FY02 General Fund surplus.

It is painfully obvious that attention must be given to how the organization can reasonably reduce costs. As in FY02, the Human Resource Director will lead a series of meetings with departmental employees to discuss ways in which savings can be achieved, including but not limited to the following:

- a) using the mail order drug option in the City's plan to gain discount prices for persons on drug maintenance plans;
- b) avoiding emergency room visits on weekends for routine ailments that might be addressed through clinic visits before the weekend;

- c) asking for generic prescriptions rather than non-formulary drugs where the former offers the same medical benefit.
- d) taking advantage of the annual physical to possibly avoid more serious future ailments.

During the next twelve months, the Health Insurance Committee will continue to meet and explore variations on the basic plan that might achieve some savings.

The good news is that our loss ratio improved from February 1, 2001 through January 31, 2002, in part because of the leadership within our bargaining units who have been encouraging the best practices listed above, and in part because of Jean Tritle's educational efforts. A reachable goal would be to reduce the loss ratio to below 100% in FY03. However, a flattening of our premium liability would not likely lead to a return to annual increases in the single digits. As the attached reprint from the Kiplinger Letter indicates, private insurers are expected to increase rates by around 25% for smaller organizations in the year ahead, regardless of their claims experience, owing to higher health care and prescription drug costs. We are approaching a national dilemma akin to what we faced in the early 1990's when some signs of Congressional leadership emerged. Without some creative and substantial state and national leadership regarding health care costs, small cities and small businesses will face stunning expenses that drain away resources from essential services and training and improvements that promote productivity.

City Council approval of the Crum-Halsted contract is recommended.

12. RESOLUTIONS

A. Resolution No. 416—Declaring Wednesday, October 23, 2002 Through Sunday, October 27, 2002 as Pumpkin Festival Weekend in the City of Sycamore, Illinois.

Resolutions 416, 417, and 418 can be taken in omnibus fashion. These resolutions officially establish the dates for the annual Pumpkin Festival and seek IDOT's approval for the temporary closing of Illinois Route 64 for a road race and parade.

City Council approval is recommended.

B. Resolution No. 417—Requesting Permission of the Illinois Department of Transportation to Close Illinois Route 64 from Sabin Street to Somonauk Street Between 9:00 A.M. and 10:00 A.M. on October 27, 2002 for the "Road Run" as Part of Pumpkin Festival Weekend.

See Resolution 415, above.

C. Resolution No. 418—Requesting Permission of the Illinois Department of Transportation to Close Illinois Route 64 from Governor Street to Sacramento Street from 12:00 Noon Until 5:00 P.M. on October 27, 2002 to Allow for the Pumpkin Festival Parade in the City of Sycamore, Illinois.

See Resolution 415, above.

D. Resolution No. 419—Requesting Permission of the Illinois Department of Transportation to Close Illinois Route 64 from Governor Street to Sacramento Street from 7:00 P.M. Until 8:30 P.M. on September 18, 2002 To Allow for the Sycamore High School Homecoming Parade in the City of Sycamore, Illinois.

The City Council customarily approves the closing of Illinois Route 64 for this purpose. City Council approval is recommended.

13. CONSIDERATIONS

A. Consideration of a Fire Department Recommendation to Purchase a Used Chevrolet Tahoe In the Amount of \$29,900 from Countryside Motors of Sycamore, Illinois.

As the attached memorandum from Chief Riddle explains, a new command vehicle was budgeted in FY03, to be financed from the 2002 bond proceeds. A larger command vehicle would replace the 1994 Jeep Cherokee and would be able to carry incident command equipment to a fire call (the back seat and cargo area of the present command vehicle is typically packed with equipment). A larger command vehicle would also have more seating room for responders from other agencies who would typically join the incident commander (usually the fire chief) on the fire scene to coordinate fire ground activity.

Bids were solicited from seven (7) local dealers. The department was searching for a used vehicle in good condition so long as it matched the desired specifications. The 2001 state bid vehicles were sold out when the bids were solicited.

The attached memorandum shows the bids from the four dealers that responded. The lowest bidder, Miles Chevrolet, has sold its used vehicle. The next lowest bid with the necessary towing package was submitted by Countryside Motors in the amount of \$29,900. This amount is within the budgeted allocation of \$30,000.

City Council approval of the Countryside Motors bid of \$29,900 is recommended.

B. Consideration of a Request from AT&T Broadband to Implement a Rate Increase With Less Than Ninety Days Notice to Subscribers.

As the attached letter explains, AT&T Broadband intends to make a substantial number of changes to its cable line-up, including moving familiar station listings to new listings and an array of new digital cable channels. Although the Basic Service rate will not change, the Expanded Basic Service rate and Standard Cable Service rates will change by 3.58% and 2.63%, respectively.

According to the franchise agreement between the City of Sycamore and AT&T, prior to implementing any rate increase AT&T must give public notice ninety days in advance of the effective date of the changes to area subscribers. The City has no authority under the franchise to negotiate the modification of the proposed changes.

AT&T's local government relations manager, Sharon Douglass, has arranged for public notice of the changes as required, but requests the ability to implement the changes in advance of the end of the 90-day window. It is AT&T's hope that they could implement the changes on or about October 3.

City Council direction is requested.

C. Consideration of a Public Works Department Recommendation to Award a Contract to Fitzgerald Equipment Co. for a Walk-Behind Scrubber in the Amount of \$9,085.

Since the early Spring of this year, the spanking new downtown sidewalks have been marred by bicycle tire marks and, to a lesser extent, from skateboards and in-line skates. The heavy-duty concrete sealer that was applied in the fall of 2001 is impregnated with black marks of many varieties, as well as the predictable chewing gum, silly string, etc. Our Street Division's efforts to remove the unsightly and discouraging marks by hand with detergents and chemicals and elbow grease have been unsuccessful.

In recent weeks, the Street Division has tested a variety of scrubbing machines that mix degreasing chemicals with water and work the mixture into the concrete surface with powerful brushes. The immediate goal has been to identify the right machine and degreasing mixture that can efficiently remove the marks in a reasonable period of time, without harm to the environment. The longer-range goal is to identify a technique and a machine that can keep the sidewalks clean year-round without removing the concrete sealant.

Of the machines tested, the Division recommends the purchase of the model produced by the Advance Machine Company, and sold by the Yale Fitzgerald Co. of Rockford, IL. This machine has a scrubbing path of 28" and a 24-gallon solution tank. Of particular interest to the Street Division is this machine's downward pressure, which minimizes the number of passes that need to be made to remove the marks, and over time should not remove the sealant. It should be noted that the severity of the damage to the sidewalks will require the stripping of the present sealer along with the marks. After the removal of the tar and other damage, a new sealer more resistant to such markings will be applied.

The cost of the walk-behind scrubber with a government discount is \$9,085 plus freight. Although the models of different manufacturers vary, a comparable machine was found through the B.L. Murray Co. of East Dubuque, Iowa. This model was less expensive (\$8,660 plus freight), but in the opinion of Fred Busse and Bob Ray the downward pressure applied by this machine is insufficient to remove the heavy-duty marks. Most of these scrubbers are used to clean interior concrete floors with smooth finishes; the downtown sidewalks have a rough, broomed finish that makes the removal of marks more difficult.

City Council approval of the proposal from the Yale Fitzgerald Co. is recommended.

D. Consideration of an Administration Recommendation for a Closed Session to Discuss Personnel Matters and Land Acquisition.

14. APPOINTMENTS

15. ADJOURNMENT