

# SYCAMORE CITY COUNCIL

## AGENDA

February 4, 2002

### City Council Workshop Meeting

6:30 P.M.

#### **6:30 P.M. Workshop Meeting on FY03 Capital Expenditures.**

In what has become an annual exercise, the Council will be asked to give direction on two capital programs: (a) the annual street maintenance projects for FY03 and (b) the three-year capital program for large capital projects. This year the "lists" will be influenced by the Council's interest in borrowing monies to accelerate capital improvements and capital purchases. The size of the borrowing will depend on the City's debt capacity, and that will be determined by the Council's vote on the size of the new restaurant/bar tax later on this agenda. For the sake of this discussion, it is assumed that the Council will approve a 2% restaurant/bar tax and the new bond will total about \$4 million including the costs of issuance.

#### **A. Street Maintenance: \$289,000.**

1. Crack-Filling. Apart from any decision made on a new restaurant/bar tax to finance capital improvements, the City's General Fund budget for FY03 will include \$250,000 for crack-filling and microsurfacing operations primarily on neighborhood streets. This amount will be budgeted in the Street Division budget (731-8316) as in previous years. The crackfilling will cost about **\$55,000** and will include about 40,000 pounds of filler.

2. Microsurfacing. The Street Division budget could also finance microsurfacing in the amount of **\$186,000**. Microsurfacing is a temporary measure that can extend the life of a street surface by 5 to 7 years (see the attached brochure). After this asphalt emulsion process is completed the alligator cracks will reappear but the process has a binding characteristic that will improve the surface texture.

The microsurfacing list includes the following streets (in no certain order):

- a) North Fair Street.
- b) Crosby Avenue.
- c) Maertz Drive.
- d) Spartan Trail.
- e) Albert Avenue.
- f) Esther Avenue.
- g) West Street.
- h) Ellen Street.
- i) North Cross Street from State Street to the railroad right-of-way.
- j) Loomis Street.
- k) Mason Court.

- l) Roosevelt Court.
- m) Archie Place.
- n) Meadow Lane from DeKalb Avenue to Hillcrest Avenue.
- o) Edward Street from Meadow Lane to Elmwood Street.
- p) Charles Street from South Cross Street to Elmwood Street.
- q) Grant Street.
- r) Greeley Street.
- s) East Exchange Street from Locust Street to Sabin Street.
- t) Walnut Street from Sycamore Street to Exchange Street.
- u) Page Street from Sacramento Street to Main Street.
- v) North Avenue from Brickville Road to Main Street.
- w) Brickville Road from North Avenue to 500 feet south of the Kishwaukee River.
- x) South Avenue from DeKalb Avenue to Edward Street.

Finally, the Street Division Budget will expend **\$9,000** toward an experimental asphalt surface on Mercantile Drive. The second and final lift of asphalt will be installed this year. Typically, the final course consists of a Class 1, Mixture D, Type 2 surface. The City Engineer would like to test a polymer modified bituminous mix that is less susceptible to cracking on this well-traveled street. Our experience in recent years with the standard mix has not been as effective as desired on well-worn streets and the testing of the polymer surface over the next few years may provide some answers. In this instance, the developer (Menard) would pay for the value of the standard mix and the City would make up the difference.

3. Additional Microsurfacing: \$39,000.

If the City Council approves a 2% restaurant/bar tax, additional street maintenance monies would be available in the form of bond proceeds to accelerate the pace of street maintenance in the City's neighborhoods. The City Engineer recommends the following additions to the list of streets for microsurfacing:

- 1. High Street from Somonauk Street to DeKalb Avenue
- 2. Sacramento Street from DeKalb Avenue to High Street.
- 3. Sacramento Street from Sycamore Street to 150 feet south of Exchange Street.
- 4. Parkmoor Court
- 5. Woodgate Drive within 150 feet of DeKalb Avenue.
- 6. Ottawa Street from Main Street to Walnut Street.
- 7. Lincolnshire Drive.
- 8. Greenleaf Street.
- 9. Foxpointe Drive from 150 feet north of Vaughan Court to 150 feet south of Borden Avenue.
- 10. Hathaway Drive from Foxpointe Drive to 150 feet west of intersection.

The repair of these streets with an asphalt emulsion would cost about **\$39,000.**

*This microsurfacing would be completed in 2002 along with the streets listed under Section 2, above.*

**B. Street Resurfacing and Reconstruction: \$2,549,000.**

The cost of removing the old bituminous surface and laying a new surface is approximately six times that of microsurfacing, but the milling and re-surfacing process brings a design life of about 15 years. A reconstructed street has about a 20-25-year design life if the road surface is intermittently filled and sealed.

If the 2% restaurant/bar tax is approved, the following streets can be resurfaced or reconstructed:

**1. Street Resurfacing. \$363,000.**

- a) Bethany Road. The City should work with Cortland Township to re-surface the stretch of Bethany Road from the east line of the Farm Bureau property eastward to Perry Court in 2002. The remaining portion of Bethany Road between Perry Court and Somonauk Street will be resurfaced in June as the remaining part of the contract to create the regional retention pond. It is estimated that the overall cost of the resurfacing from the Farm Bureau to Perry Court would be about \$40,000 for a 2-inch re-surfacing with limited patching and some shoulder work. This would result in an improved road surface that might hold up until a more ambitious project tied to some industrial investment in the Prairie Business Park can be justified. The City's share of this project would be about \$20,000.
- b) Parkside Drive from Cloverlane south to the end (\$28,000).
- c) Borden Avenue from Foxpointe Drive to 425 feet east (\$20,000).
- d) South Cross Street south of Emmert Drive including all of the cul-de-sac (\$18,000).
- e) Somonauk, Turner Place to Becker Place (\$277,000).

**2. Street Reconstruction. \$2,186,000.** In the case of street reconstruction the curb, gutter, surface courses and base aggregate course will be removed; new sanitary sewer and water services will likely be installed to the property lines; possibly sections of water and sewer mains will be replaced where appropriate; and new curb, gutter and road surfaces will be installed. For reference, it should be kept in mind that the approximate cost for reconstructing a standard neighborhood street that is 35 feet wide, back of curb to back of curb, is in the range of \$600 to \$700 per lineal foot, depending on the underground improvements that are necessary and the condition of the subgrade. It should also be noted that street reconstruction requires more complex engineering and coordination and would be phased over several years.

- a) Locust Street from Sycamore Street to Exchange Street (\$240,000).
- b) Home Street from Walnut Street to Terrace Drive (\$673,000).
- c) Walnut Street from Lincoln Street to Home Street (\$205,000).
- d) State Street, Main to Locust (\$165,000).
- e) North Maple, State to Exchange (\$333,000).
- f) South Maple, State to Elm (\$370,000).

g) Somonauk, State to Elm (\$200,000).

C. Other Bond-Financed Capital Improvements. \$1,379,000.

1. Public Building Repairs. \$725,000. A number of public building repairs are needed and would be funded by the bond proceeds. A partial list is shown below:

Projects	Cost
Architectural Assistance	\$10,000.00
Remodel Council Chambers	\$50,000.00
Remodel Former Street Division Garages	\$65,000.00
New City Hall Roofs	\$85,000.00
New City Hall HVAC	\$50,000.00
New City Hall Window Glazing	\$65,000.00
Create Evidence Room in Former Street Garage	\$25,000.00
Remodel Fire Department Living Quarters	\$75,000.00
Community Center Improvements	\$300,000.00
Total	\$725,000.00

The Community Center repairs would fall to the City as owner and landlord and have been deferred for decades. Recent architectural reviews paid by others reveal the following estimated repair costs regardless of the use of the building:

- ◆ New Roof; Eave Repairs: \$ 95,000 (includes disposal of asbestos shingles)
- ◆ Structural Reinforcement: \$ 69,000
- ◆ Fire Protection: \$ 45,000 (includes limited area sprinkler system in mechanical spaces; enclosed stairs; etc.)
- ◆ New Boiler \$ 20,000 (includes removal of asbestos)
- ◆ Ceiling, Floor, Wall Repairs \$ 35,000 (includes interior painting)
- ◆ Exterior Painting, Tuckpointing \$ 20,000
- ◆ Contingency (??) \$ 12,000

These cost estimates do not include compliance with ADA regulations.

2. Vehicles and Equipment. \$654,000. The list of equipment and vehicles that might be purchased from bond proceeds was first presented on January 7 and is reproduced below:

Projects	Cost
New Phone System	\$50,000.00
Accounting Software	\$45,000.00
2 Patrol Vehicles	\$48,000.00
1 Detective Vehicle	\$18,000.00

In-Car Video Cameras	\$25,000.00
In-Car Computers	\$80,000.00
New Ambulance	\$125,000.00
New Fire Command Vehicle	\$30,000.00
New Rescue Equipment (jaws of life; monitors)	\$45,000.00
Dump Truck w/Spreader (Replace 1979 Ford)	\$66,000.00
Winged Mower (for City retention ponds and property)	\$32,000.00
Bucket Truck (to save money on traffic light repairs)	\$18,000.00
Sign Shop Equipment (Create City Signs)	\$12,000.00
Snow Blower (Replaces 1958 model)	\$60,000.00
Total	\$654,000.00

D. Three-Year Plan.

An updated three-year capital plan is also attached that includes the foregoing lists of improvements plus other capital priorities that the Council has identified in recent years. Please consider this plan and be prepared to make suggestions. You will note that the highest priority in FY2003 is the new well. Most of the street reconstruction projects will be deferred until FY2004 to allow sufficient time to design and survey the projects, to perform field investigations of the utilities, to prepare bid documents, and to go to bid.

City Council direction is recommended. Upon the Council's direction the City Administrator, City Engineer, and Public Works Superintendent can prepare more precise capital fund budgets over the next two to three weeks.

The Council should be aware that even with the proposed \$2,588,000 investment in City streets funded by the proposed bond sale, the City will still be years behind in its infrastructure repairs. About five years ago, City Engineer John Brady proposed the following aggressive, though not optimal, schedule for annual street and alley maintenance:

Item	Extent	Estimated Cost
Crack Sealing	8 miles	\$60,000
Pavement Patching	Variable	\$50,000
Microsurfacing	4 miles	\$127,000
Pavement Sealing	4 miles	\$32,000
Bituminous Resurfacing	2 miles	\$814,000
Reconstruction (Streets)	.30 miles	\$832,000
Reconstruction (Alleys)	.15 miles	\$40,000
	<b>Total</b>	<b>\$1,955,000</b>

Of course, unit costs have increased and the list grows as the City expands. The proposed FY03 capital program makes a good start at catching up. Future general revenues will dictate whether we keep pace or fall further behind.

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**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 Regular City Council Meeting of January 21, 2002;
  - B. Payment of the Bills for February 4, 2002.
  - C. Monthly Budget Report for January, 2002.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
  - A. Honoring Those Firefighters Who Were Recently Certified as Paramedics.
8. **REPORTS OF OFFICERS**
9. **REPORTS OF STANDING COMMITTEES**
10. **PUBLIC HEARINGS--None**
11. **ORDINANCES**
  - A. **Ordinance No. 2001.66—An Ordinance Amending Title 3, “Business and License Regulations,” by Adding a New Chapter 17, “Restaurant, Bar and Package Liquor Sales Tax,” to the City Code of the City of Sycamore, Illinois. First and Second Reading.**

At the Finance Committee meeting of January 21, the Committee unanimously recommended that the Council approve a 2% restaurant/bar tax to become effective on May 1, 2002. The attached ordinance would adopt such a use tax.

As background for the Committee discussion of January 21, and for the earlier Council discussion of January 7, the Administrator provided reasons for proceeding with the tax at this time. Briefly put, the tax would be raised to provide a revenue source for a variety of capital projects and improvements to be financed through a general obligation bond offering. In the workshop portion of this agenda the Administrator has provided a provisional list of the projects and improvements to be financed by the bond proceeds. In terms of the issuance of the bond, precise details of the capital plan are not important at this time. The bond

ordinance references a general program of improvements to be completed over the next three years and the list can be fine-tuned so long as the general intent of the ordinance is satisfied.

A majority vote of the Council is needed. City Council approval is recommended.

**B. Ordinance No. 2001.68—An Ordinance Authorizing the City of Sycamore to Issue and the Mayor to Execute General Obligation Bonds, Series 2002, in the Amount of \$4,000,000 and Providing for the Levy and Collection of a Direct Annual Tax for the Payment of the Principal and Interest on the Bonds. First and Second Reading.**

If the City Council approves the imposition of a new 2% restaurant/bar tax, the Council will want to proceed with the business of issuing the bonds for which the new revenue source will provide debt service. The attached bond ordinance is a conventional statement of the size and purpose of the borrowing, and the City's obligation to lend its full faith and credit to the retirement of the debt. The bond will raise up to \$4.0 million dollars to cover a list of public purchases and improvements and the costs of issuance. The rate of interest will not be known until the City's agent—Mesirow Financial—goes to market. Jeff Schuppel, the firm's senior vice-president for public finance, has represented the firm in negotiations with the City of Sycamore. The ordinance was prepared by the law office of Chapman and Cutler, which serves as bond counsel. Both Mr. Schuppel and the firm of Chapman and Cutler were involved in the City's last two bonds (the 1996 capital bond and the 1999 re-financing bond). Their familiarity with the City's operations and capital needs were instrumental in establishing a favorable Moody's rating of Aaa in 1999 and they believe the City's rating will be upgraded prior to issuance of the new bonds. The City Administrator recommends the waiving of the City's preference for competitive proposals in this instance, partly because of the experience of the financial consulting team but mainly because (a) the issuance costs are typically uniform across financial firms for such a conventional bond offering and (b) the 60-90 days that will elapse during a professional search for proposals may slide the approval process beyond the most favorable time to enter the bond markets this winter.

A precise debt schedule will not be possible until the bond prices are known. The attached debt schedule is provisional but shows the following:

- ◆ A term of twenty years;
- ◆ A level annual debt load of just under \$320,000;
- ◆ Average coupon interest of 5.018% (the bond interest is exempt from federal income tax);
- ◆ Serial issues with different maturities and coupon yields. The differing maturities afford the opportunity for the early retirement of debt or the refinancing of debt.
- ◆ A cost of issuance of about 3.4% which includes insurance, the bond rating, and the brokerage commission.

How would the debt service be paid? Assuming very conservatively that the 2% restaurant/bar tax generates about \$300,000 per year in General Fund Revenue, the bulk of the debt service would take the form of a transfer out of the General Fund to a new “2002 Bond Fund” (Fund 24). The balance of the debt service would be transferred from the Capital Assistance Fund (Fund 6) to the new Fund 24. Exact amounts will be shown in the preliminary numerical budget that is presented to the Council on February 18.

If the Council approves the attached bond ordinance, the firm of Mesirov, Inc. and its agents would be authorized to float the bond at such time as optimal terms can be found. This may be in a matter of days or weeks. The market has wildly fluctuated in recent days making it impossible to confidently predict the date of issuance. Upon the completion of the financing process, the City will be notified and the Administrator will apprise the Council of the rate and the rating.

City Council approval is recommended. A two-thirds vote of the corporate authorities is needed for approval.

**12. RESOLUTIONS--None**

**13. CONSIDERATIONS**

**A. Consideration of a Presentation from Waste Management Officials Concerning the Implementation of New Contract Provisions.**

Tom Kleczewski and Ron Mannis of Waste Management would like to brief the Council on how they will inform residents about some changes in the new refuse contract. Specifically, they intend to enforce the new prohibition against loose plastic bags, and to enforce the requirements for containers of a certain size and type. The Administrator asked these company representatives to address the Council in person so Council members can be better prepared to address any resident concerns. For the Council’s reference a copy of the new refuse contract is attached.

The Council may also wish to review the company’s complaint procedures with the company representatives. Since the holidays a few complaints have been received from residents who felt they did not receive agreeable and timely service from the operator of the “800” number published in the local telephone directory. Some clarification about “who” will be responding to complaints is in order.

**B. Consideration of an Intergovernmental Agreement Between the City of Sycamore and the County of DeKalb to Cooperate in a Regional Planning Commission.**

The attached ordinance establishes a commitment by the City Council to participate in a county-wide regional planning commission. As the Council is aware, a months-long discussion of various organizational models resulted in a commission composed of one representative from each county municipality and

one representative of the county board. The commission's purview would be the following:

- a) the preparation of a revised county comprehensive plan that incorporates the most up-to-date information in municipal comprehensive plans;
- b) the preparation of a unified development ordinance for development within the county's jurisdiction. Such a "UDO" would not "trump" local ordinances but would incorporate their provisions (which tend to be more rigorous in many respects);
- c) the review, on an as-needed basis, of development concerns relating to cross-jurisdictional transportation corridors, storm water management issues, large-scale development outside of, but affecting, municipal planning areas; and "exogenous" initiatives such as proposals for new landfills, race tracks, quarries, or interstates that promise to have a substantial impact on multiple county jurisdictions. Municipal planning authorities would still be the only advisory bodies with respect to the annexation, subdivision, or rezoning of land within each municipality's corporate limits and mile-and-a-half planning area.

The proposed planning partnership is described in the attachments. The City Administrator recommends the referral of this matter to the City's Plan Commission for review on February 11, and City Council action on February 18.

**C. Consideration of an Administration Report on a Joint Meeting of the Sycamore City Council, Sycamore School Board, and Sycamore Park Board at 6:00 P.M. on February 5.**

A joint meeting of the Sycamore School Board, Sycamore Park Board, and Sycamore City Council will be held on Tuesday, February 5, at 6:00 p.m. in the new Ideal Industries warehouse on Borden Avenue to review the financial and architectural feasibility of a multipurpose community recreational building on the Sycamore High School grounds. This meeting follows several informal gatherings of community leaders, including Ideal's chairman, David Juday, and local government officials who are interested in maximizing recreational services with the lowest possible impact on local taxpayers. This "new way" of governing has been explored creatively in other Illinois communities that are averse to duplicative government spending. Such efforts, where successful, have at times involved the private sector in both a financial and an organizational partnership.

The focus of the discussion will be conceptual designs of a "community recreational center" attached to the north side of the Sycamore High School. This design work was initiated and financed by the School District and completed by Doug DuCharm and Bruce Harding of the firm, Shive-Hattery Architects and Engineers. A number of options will be reviewed, focusing on the space needed for school-related intramural and gym classes, as well as the space necessary to serve community recreational programs offered by the Park District, many of which are currently housed in the Sycamore Community Center.

The attachments include a memorandum by the School District's business manager Luke Glowiak to the School Board explaining options for school gymnasium space, as well as some drawings and notes from the architects addressing the prospect for additional space that would serve broader community recreational needs. Please be prepared to comment on these attachments.

The joint meeting will be unique and should propel some forward thinking about these important community issues.

**D. Consideration of a Closed Session to Discuss Collective Bargaining.**

**14. APPOINTMENTS**

**15. ADJOURNMENT**