

SYCAMORE CITY COUNCIL

AGENDA

February 3, 2003

City Council Workshop Meeting

6:30 Workshop Meeting on FY04 Capital Expenditures.

As in recent years, the City Administrator will present a provisional listing of major capital projects for each of the next three fiscal years for Council review and direction. In addition, the Administrator will comment on the annual street maintenance program.

A. Major Capital Projects

On January 20 the Council considered the proposed priorities for our general operations. The funding for such operations comes from a range of general revenues, but over 77% of those revenues are derived from three sources: sales and use taxes (40.73%), property taxes (23%), and state-shared revenue—principally state income tax (14%). The chief sources of revenue for our capital projects in recent years and over the next three fiscal years are borrowed monies, low-interest loans, accrued motor fuel tax monies, and accruing home rule tax dollars that are monthly deposited in the Capital Assistance Fund (Fund 6). The home rule monies set aside for capital purposes—one-third of the monthly distribution (0.25%)—amount to about \$300,000 per year and constitute our only recurring source of capital funds. Of the \$300,000 in new capital monies each year, \$120,000 is now dedicated toward debt service on the 2002 Bond, leaving about \$180,000 for miscellaneous projects, vehicles and equipment.

The provisional list of major capital projects and expenditures for FY04, FY05, and FY06 follows:

Fiscal Year	Project	Estimate	Fund
FY2004 5/1/03- 4/30/04			
	Bethany Road Reconstruction—Phase I	\$100,000	7
	Bethany Road Reconstruction—Phase III	\$450,000	7
	Install Well #9	\$2,000,000	25
	Public Sidewalk Replacement	\$50,000	6
	Walnut Street Reconstruction (Lincoln to Home)	\$205,000	24
	Home Street Reconstruction (Walnut to Terrace)	\$673,000	24
	Locust Street Reconstruction (Sycamore to Exchange)	\$240,000	24
	Public Safety Bldg Remodeling (535 DeKalb Ave)	\$120,000	24
	Public Safety Bldg Roof Repair	\$65,000	24
	Street Garage Remodeling	\$80,000	24
	Public Safety Bldg HVAC	\$50,000	24
	New City Hall Remodeling	\$840,000	11&24
	New City Hall Phone System	\$50,000	24
	Street Maintenance	\$200,000	1&6

	Surface Planer for Skid Steer (Minor Paving)	\$30,000	6
	Layton Box (Minor Paving)	\$10,000	6
	Used Blazer (Building Department)	\$15,000	6
	NPDES Permit	\$8,000	6
	Total	\$5,186,000	
FY2005 5/1/04- 4/30/05			
	Bethany Road Reconstruction—Phase III	\$1,450,000	7
	North Maple Street Reconstruction (State to Exchange)	\$333,000	24
	South Maple Street Reconstruction (State to Elm)	\$370,000	24
	Somonauk Street Reconstruction (State to Elm)	\$200,000	24
	Paint Elevated Water Tank #1	\$155,000	2
	Public Sidewalk Replacement	\$50,000	6
	State Street Re-Surfacing Main to Locust	\$165,000	24
	Street Maintenance	\$200,000	1&6
	Two New Marked Police Squads	\$50,000	6
	New Dump Truck, Plow & Spreader (Replace 1985)	\$75,000	6
	Total	\$3,048,000	
FY2006 5/1/05- 4/30/06			
	New Water Tank (#2)	\$1,500,000	?
	Sally Port (Police Department)	\$50,000	?
	Public Sidewalk Replacement	\$50,000	6
	New Roof—New City Hall	\$45,000	11&6
	Street Maintenance	\$200,000	1&6
	Engineering Study—Bethany Road (Peace to Somonauk)	\$20,000	New Short-Term Note
	Tree Chipper—Public Works	\$30,000	New Short-Term Note
	One-Ton Dump w/Plow & Spreader	\$33,000	New Short-Term Note
	Total	\$1,928,000	
	Total: Three-Year Plan	\$10,162,000	

Funds:

- Fund 1—General Fund
- Fund 2—Water Fund
- Fund 6—Capital Assistance Fund
- Fund 7—Motor Fuel Tax Fund
- Fund 11—Public Buildings Fund
- Fund 24—2002 Bond Fund
- Fund 25—New 2003 EPA Loan Fund

Review of the Three-Year Capital Plan.

1) FY2004.

The largest capital projects in FY04 will be the installation of Well #9, funded by a low-interest EPA loan, and the start of the reconstruction of Bethany Road, which will be completed in FY05 (the fall of 2004).

Well #9. The FY04 Budget will show a new fund—the 2003 EPA Loan Fund (Fund 25)—that will receive the EPA loan monies and disperse the proceeds as needed for the well project. A potentially large and as yet unfunded expense associated with the installation of Well #9 is the cost of radium mitigation. The EPA has still not ruled on our revised mitigation plan. If we must proceed with a zeolite filtering system, we should anticipate an additional \$300,000 in capital costs per well at four or possibly five wells, or a total of \$1.2 million to \$1.5 million, for the additional building space that is required for the treatment system. Wells 5, 6, 8 and 9 are the likely candidates, and Well #7 is hanging on the edge of the 5 pCi/L threshold. These capital costs do not include the annual maintenance expenses for the zeolite medium and filtering tanks, special piping, etc. Vendors for the zeolite system prefer to amortize the cost for the installation of the equipment with the annual filtering and maintenance costs. Our early estimate of those costs is about 40 cents per 1,000 gallons pumped. On average, about 65% of the water would need to be filtered to reduce the radium concentration to acceptable levels. As a result, we expect the annual mitigation costs—above the costs associated with the expanded building space—to be about \$60,000 per well. Such costs would have to be offset by increased user fees.

Street and Sidewalk Projects. Aside from the federally-assisted reconstruction of Bethany Road, we expect to reconstruct a number of streets in older neighborhoods. We had planned on tackling three short stretches of downtown streets (North and South Maple; Somonauk from State to Elm) in FY04 but it appears now that we could not complete these projects with time to spare before the Pumpkin Festival, because of extensive utility work that will have to occur in the early project stages. Accordingly, we propose to flip the downtown projects to FY05 and move up the neighborhood street projects that include major work on Home Street, Walnut Street, and Locust Street. It should also be noted that FY04 is the first year that we will pump up our sidewalk replacement program. A total of \$50,000 has been allocated in each of the next three years for such replacement. These sidewalk repairs will be prioritized by the City Engineer and will be opened for bid. This initiative should not be confused with the assistance program managed by the Building department.

Building Projects. We will also continue a number of remodeling projects relating to the re-configuration of departmental space discussed in earlier public forums. Several former Street Division garages will be remodeled for the offices of the Engineering and Building departments. Once these two departments are relocated, the Fire department quarters will be remodeled and enlarged to include new restroom and shower facilities serving both sexes. Once the City Clerk and Finance offices are relocated, the remodeling of their spaces for future Police department uses can begin. All of these

projects will be financed by the 2002 Bond Fund proceeds and should be completed in the 2003 calendar year.

Vehicles, Equipment, and Other Uses. One used vehicle will be purchased to replace the maroon-colored Building department vehicle. It is expected that local dealers can provide a serviceable vehicle for about \$15,000. The Street department believes it can save money on annual street maintenance by employing its own surface planer to take down high spots in the pavement prior to the patching or re-surfacing of streets, so an attachment for an existing skid steer is listed. A layton box for paving is also listed but needs to be mounted on a tandem-axle truck, which is not listed until FY05. Depending on the Fund 6 balance after April 30, which will depend on the closeout of the Rt 23/64 job, there may be enough funds to purchase the new dump truck in FY04 rather than FY05. Finally, the Council will note an “NPDES Permit” at the bottom of the list. The EPA now requires communities to identify major sources of storm water runoff that may carry contaminants to streams and rivers. Such contaminants include road salt that ultimately gets in our storm sewers, oil-based products that are washed from our streets and parking lots by rains; farm chemicals; etc. In conjunction with the City of DeKalb and DeKalb County, we are proposing to do a regional plan at a presumably diminished cost to each jurisdiction. We estimate that our cost will be about \$8,000 in FY04.

2) FY2005.

The major portion of the Bethany Road project will be undertaken after May 1, 2004. As noted above, the four downtown street projects will be re-scheduled for the summer of 2004 (e.g. North and South Maple; Somonauk; and State Street in front of the Post Office and Library). When completed, these projects will further enhance the appearance of our downtown area. Other projects include a continuation of a more substantial sidewalk replacement program, the painting of the water tower on Becker Place, the purchase of two marked squads, and possibly the purchase of a tandem-axle dump truck unless funds are available in FY04.

3) FY2006.

By the spring of 2005 most of the 2002 bond funds will have been spent. At this time there are only two known sources for new capital projects in FY2006: (1) the accruing home rule tax monies in the Capital Fund and (2) new borrowing. In April of 2005 the last payment on the present vehicle and equipment note will be made and the five-year note will be retired. As of May 1, 2005 the General Fund could support new short-term debt in an equal or lesser amount that could finance a one-ton dump to replace the existing one-ton in the Street Division, a tree chipper, and an engineering study regarding improvements on Bethany Road from Peace Road to Somonauk Street. The Capital Fund can support the third year of a more substantial public sidewalk replacement program and one-fourth of the annual street maintenance program. The roof at the former Henderson Building is presently sound but it is expected that in FY2006 or FY2007 a tear-off and new roof will be needed. The income from rents should be sufficient to pay for a portion of this cost, and the balance can be derived from the Capital Fund. The funding sources for the sally port proposed by Chief Thomas on January 20 and a new water tower on the northeast side are unknown at this

time. It is possible that some low-interest loan monies may be available to finance the construction of a new water tower.

B. Street Maintenance for FY2004.

The annual street maintenance program consists of crack-filling and microsurfacing operations. In FY03 (the summer and fall of 2002) the City's annual program was stretched to include more streets with the assistance of the 2002 Bond proceeds. In FY04, the program will be supported by the General Fund (\$150,000; 731-8316) and the Capital Fund (\$50,000). The same sources will be dedicated for this program in FY05 and FY06.

At this writing, the prioritized list of streets has not been completed. More field work will be necessary to compile a final recommended list, which will be ready for Council review later in March.

City Council direction is requested.

**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 20, 2003;
 - B. Payment of the Bills for February 3, 2003.
 - C. Plan Commission Minutes for the Meeting of January 13, 2003.
 - D. Zoning Board of Appeals Minutes for the Meeting of June 25, 2002.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
8. **REPORTS OF OFFICERS**
9. **REPORTS OF STANDING COMMITTEES**
10. **PUBLIC HEARINGS--None**
11. **ORDINANCES**

A. Ordinance No. 2002.68—An Ordinance Concerning the Recommendation of the Zoning Board of Appeals With Regard to the Request of Mike Carpenter, dba Prairie Place LLC, and Andy Morreale, dba Energym, for a Variance From Section 11.08.01 B, 1(a) of the Zoning Ordinance of the City of Sycamore. First and Second Reading.

The Zoning Board of Appeals met on Tuesday, January 28 to hear the request of Messrs. Carpenter and Morreale for a variance from certain sign code provisions. Specifically, the petitioners sought permission to install a pylon sign as opposed to the ground signage required by the Zoning Ordinance of 2001. They contended that when their subdivision was approved in March of 1999, a sign easement was established along the subdivision frontage at 1711/1715 DeKalb Avenue to support a pylon sign that would serve all the lots of the subdivision. When the Zoning Ordinance was revised in February, 2001, the sign provisions for commercial uses were changed to limit the installation of pylon signs to larger commercial planned developments. In place of the traditional pylon signs, lower ground signs were required by the new provisions that had a maximum height of 15 feet and a maximum area of 100 square feet, with the bottom edge no higher than 4 feet above the ground.

Zoning Officer Lyle Doty supported the variance request on several grounds. First, he argued that the more recent zoning provisions did not reasonably “trump” the earlier plat commitment to a pylon sign that was approved by the City. Second, given the narrow dimensions of the lot, the two ground signs allowed by the current code would be more obtrusive than one pylon sign. Finally, Mr. Doty pointed out that the proposed pylon sign would not be out of character with the signage on that portion of Sycamore Road.

The Board considered the request and recommended its approval by a vote of 5 to 1. City Council approval of the Zoning Board recommendation is requested. The Council may want to consider a friendly amendment to the variance recommendation that would encourage the installation of the sign toward the back half of the 20-foot sign easement to soften the sign’s impact.

12. RESOLUTIONS--None

13. CONSIDERATIONS

A. Consideration of an Administration Recommendation Regarding a New Telecommunication Tax.

At the regular City Council meeting of January 20, the Council considered a number of options to increase general operating revenues including the imposition of a telecommunication tax. After some general discussion, the Council directed the City Administrator to

- a) provide further information about the tax;
- b) provide estimates of revenue that might be derived from an across-the-board utility tax imposed on telecommunications, electric, natural gas, and cable services;
- c) provide a revised list of permit and license fee increases that reflected the Council’s consensus on January 20.

1. Telecommunications Excise Tax. The “Simplified Municipal Telecommunications Tax Act” went into effect on January 1, 2003. Under the provisions of the act, municipalities with a population of less than 500,000 can impose a tax up to 6% in increments of 0.25%. The tax applies to local and long-distance calls, either land-based or wireless, and is charged against the billing address. Among the communities assessing such a tax are the following:

◆ Bloomington	3.5%
◆ Champaign	3.5%
◆ Hinckley	3.5%
◆ Shabbona	3.5%
◆ Sandwich	3.75%
◆ Plainfield	4%
◆ Downers Grove	4.5%
◆ Geneva	4.5%
◆ Maple Park	5%
◆ Naperville	5%
◆ St. Charles	5%
◆ DeKalb	6%
◆ Decatur	6%
◆ Genoa	6%
◆ Normal	6%
◆ Peoria	6%
◆ Sugar Grove	6%
◆ Urbana	6%
◆ West Chicago	6%
◆ Wheaton	6%
◆ Winfield	6%

The relative impact on home owners and business owners is impossible to determine in a precise manner, since the Department of Revenue does not make information on individual accounts available.

2. A Tax on All Utility Services. Again, we have no baseline to guide our thinking and no reliable way of estimating other than to extrapolate from the experience of other Northern Illinois communities. State statutes allow a maximum rate of 5% for electric, natural gas, and cable services. In the case of telecommunications the maximum rate outside Chicago is 6%. If the City of Sycamore assessed a 5% utility tax on electric, gas, cable, local phone and long-distance phone services, the return might be about \$67 per capita, or \$810,000. At a rate of 2.5%, the return might be about \$405,000. The “per capita” approach is derivative and not a definitive methodology for determining the actual revenues.
3. Fee Increases. Most of the following fee increases were recommended on January 20. Some have been added to provide consistency across fee categories. All of the

proposed increases can be brought back in ordinance form at the next regular meeting.

- ◆ Increase the building plan review fee for one-story single family homes from \$80 to \$100;
- ◆ Increase the building plan review fee for two-story single family homes from \$120 to \$150;
- ◆ Increase the building plan review fee for attached, single family units (per unit) from \$40 to \$50;
- ◆ Increase the building plan review fee for multiple family units (per unit) from \$40 to \$50;
- ◆ Increase the building permit fees for new construction in all types of residential construction from \$0.10 per square foot to \$0.15 per square foot;
- ◆ Increase the engineering plan review fees from 2% of the total estimated cost of the required public and private land improvements (excluding buildings) to 3%;
- ◆ Increase the annual dog license fee from \$2 to \$4;
- ◆ Increase the fine for owners of dogs that are licensed but do not carry a tag from \$7.50 to \$15.00;
- ◆ Increase the electrical inspection fees as follows:

Type	Current Residential	Proposed Residential	Current Commercial or Industrial	Proposed Commercial or Industrial
New Service	\$50/unit	\$75/unit	\$50/unit plus \$2.50 per 1,000 sq. ft.	\$75/unit plus \$3.75 per 1,000 sq. ft.
Upgrade of Service	\$40/unit	\$60/unit	\$40 per unit	\$60 per unit
Electrical revisions	\$35/unit	\$50/unit	\$35/unit plus \$2.50 per 1,000 sq. ft.	\$50/unit plus \$3.75 per 1,000 sq. ft.
Hotel and Motel	N.A.	N.A.	\$50 plus \$15/guest room	\$75 plus \$30 per guest room

- ◆ Double the liquor license fees as shown in the table below:

Class of License	Current Fee	Proposed Fee
Class A	\$1,000 annually	\$2,000 annually
Class B	\$800 annually	\$1,600 annually
Class C	\$1,000 annually	\$2,000 annually
Class D	\$1,000 annually	\$2,000 annually
Class E	\$1,000 annually	\$2,000 annually
Class F	\$1,000 annually	\$2,000 annually
Class G	\$55 per applicant	\$110 per applicant
Class LH	\$800 annually	\$1,600 annually

- ◆ Increase the land annexation fee from the present \$1,000 per acre charge. Two proposals were discussed on January 20. In his background report, the City Administrator recommended increasing the fee to \$2,000 and depositing the entire increase in the General Fund. This proposal found some support. It was also suggested that we raise the fee to \$2,500 or \$3,000 per acre and put the additional \$500 to \$1,000 increase in the Sewer Fund to offset the cost of sewer system improvements. Direction on this issue is recommended.

Recommendation:

- 1) Impose a telecommunication tax of 4%. This rate is lower than that of cities we consider comparable in this county and throughout the region. Given the uncertainty of the return on such a tax, it is difficult to determine the threshold for meeting the revenue shortfall. A 3.5% tax may be adequate, but each fractional reduction from the allowable cap of 6% raises the risk of a revenue shortfall sometime during the next fiscal year, if other revenue projections hold. A copy of a sample ordinance adopting a telecommunication tax is attached.
- 2) Resist an across-the-board utility tax at this time.
- 3) Increase fees as detailed above.

B. Consideration of an Administration Report on the Bids for the Conversion of the Former Henderson Building.

The contractor bids for the conversion of the former Henderson department store to a new civic and retail center will be opened at 11:00 a.m. on Friday, January 31. The City Administrator will report the results of the bid opening to the Council at the February 3 meeting.

C. Consideration of an Administration Report on the Bids for the Conversion of the Community Center.

The contractor bids for the conversion of the former Henderson department store to a new civic and retail center will be opened at 11:00 a.m. on Friday, January 31. The City Administrator will report the results of the bid opening to the Council at the February 3 meeting.

D. Consideration of an Administration Report on the Bids for the Conversion of the Former Street Division Garages.

The contractor bids for the conversion of several garages that once served the Street Division to offices for the Engineering and Building & Zoning departments will be opened at 2:00 p.m. on Thursday, January 30. The City Engineer will report the results of the bid opening to the Council at the February 3 meeting.

14. APPOINTMENTS

15. ADJOURNMENT

