

SYCAMORE CITY COUNCIL
AGENDA
April 5, 2004

City Council Workshop Meeting
No Meeting Is Scheduled

Regular City Council Meeting
At the Sycamore Center
7:00 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 for the City Council Meeting of March 15, 2004;
 - B. Payment of the Bills for April 5, 2004;
 - C. Zoning Board Minutes for the Meeting of November 25, 2003.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. Consideration of a Presentation by the Sycamore Economic Development Commission.
Sycamore Economic Development Commission member Jim Huntley will introduce Gary Seegers, president of Driv-Lok, Inc. of 1140 Park Avenue, who will give a brief overview of his firm's industrial products and services.
8. **REPORTS OF OFFICERS**

9. REPORTS OF STANDING COMMITTEES

10. PUBLIC HEARINGS

A. Public Hearing on the FY204-2005 City Budget.

The Fiscal Year 2004-2005 City Budget is offered for public review and comment. A copy is available for viewing in the Sycamore Public Library and the Office of the City Clerk, and copies are also available for purchase from the City Clerk. The City Council's Finance Committee, chaired by Alderman Chuck Stowe, reviewed the proposed budget on Wednesday, March 17 and recommended it to the Council with minor revisions. The draft on view incorporates these recommended revisions.

Spending within the FY2005 Budget totals \$25,068,972 inclusive of all City operating, enterprise, special, capital, and bond funds. The General Fund expenditure budget totals \$8,846,342. These expenditures are offset by \$8,887,175 in anticipated General Fund revenues. The actual General Fund operating reserve or starting fund balance will total \$3,803,560 or 43 percent of the planned General Fund expenditures for FY2005.

No new taxes or fees are proposed in this Budget. With respect to personnel, the proposed General Fund expenditures include three (3) new paid, full-time firefighters to allow the Fire department to expand its minimum shift strength to four firefighters and an officer (lieutenant). This would represent the first increase in Fire shift strength since the early 1970s. The proposed General Fund expenditures also include the promotion of a Fire lieutenant to the new position of assistant fire chief. In FY05, a part-time custodian will also be hired to assist the City's one full-time custodian in the everyday maintenance at the Sycamore Center, the Public Works Building, the Public Safety Building, the Engineering and Building departments, the Water Department buildings, and the Treatment Plant. Finally, the Budget proposes the hiring of an additional building inspector (the second) after September 1, 2004.

Other significant General Fund expenditures include the following:

- Debt service of \$355,000 to pay the principal and interest on the 1999 and 2002 general obligation bonds.
- Another sharp increase in the City's health insurance premium. The Blue Cross premium for the new plan year (September 1 to August 30) is \$1,137,368 versus \$946,431 in the FY2004 plan year. In percentage terms, the increase for FY05 is about 20.2 percent. The actual dollar difference between the 2004 and 2005 plan years is \$190,937.
- \$80,000 in incentive payments (\$25,000 to Sycamore Mitsubishi; \$20,000 to Sycamore Ford; and \$35,000 to the Brian Bemis Automotive Group); and
- A modest allocation of \$25,000 for accrued leave payouts in the event of the retirement of one or several senior employees.

The FY2005 capital and special funds are all balanced with appropriate reserves. The FY2005 Budget proposes a substantial capital spending program of about \$4,765,000. The principal projects within the FY2005 capital program are listed below:

- \$1.7 million for the construction of Well No. 9 (low-interest EPA loan);
- \$903,000 for downtown street reconstruction;
- \$550,000 for utility work and storm sewer improvements on Bethany Road, in advance of the reconstruction of the road surface beginning in the spring of 2005;
- \$400,000 toward about one-half of the work associated with the extension of Oakland Drive from a point east of the former Kmart property to Peace Road;
- \$240,000 toward public sidewalk replacement;
- \$397,000 in replacement vehicles, including \$250,000 for a new fire engine to replace the 1979 Engine #1;
- \$172,000 toward equipment replacement and repairs;
- \$25,000 for a preliminary engineering study to assess wastewater treatment options through the next twenty-five years;
- \$20,000 to complete conceptual architectural drawings for a new neighborhood fire station on the City's north side.

Apart from dedicated capital funds, the overall capital program will be partly funded by general revenues. The General Fund will provide about \$150,000 for street and alley maintenance such as crack-filling and micro-surfacing. This amount will be blended with \$50,000 from the City's Capital Assistance Fund (Fund 6) to modestly broaden the scope of the annual neighborhood street maintenance program. Since our general revenues provide a steady share of the funds necessary to pay for the maintenance of our infrastructure, economic development is critical to the City. Sales and use tax proceeds, rather than property taxes, fines, or fees, are the principal source of our general revenues. Without fiscal strength in the form of strong general revenues, our municipal organization will not adequately satisfy the sometimes competing public expectations for more service and more capital improvements.

With respect to the Water Fund, water user fees were increased in June 2003 to finance the installation of treatment facilities at two existing wells (Well #6 and Well #8), and at the new Well #9 on Airport Road, to comply with the EPA's permanent radium standard of 5 pCi/L. The City has been assured of assistance from the Illinois EPA in terms of a long-term, simple interest loan at a low rate to help finance these improvements. The treatment plan involves the filtering of well water through a zeolite (Z-88) medium and will not involve the softening of the City's water or the discharge of radium to the City's sanitary sewer system.

It is estimated that the total annual additional cost for Wells 6, 8 and 9 will be about \$462,000 once all improvements are completed. To fund the debt service for these improvements, the Council was obliged to impose rate increases over a two-year period. The City Council raised the water bill for the average residential user from about \$30 every two months to about \$39 on May 1, 2003, and authorized a further increase to about \$49 every two months for the average residential user beginning on May 1, 2004. This will result in an annual increase of about \$54 in the first year, and an additional \$60 in the second year, or \$114 over a two-year period.

The proposed Water Fund budget anticipates the hiring of an additional laborer. This new hire can be paid from natural revenue growth from new development. The extra hands and staff hours will provide additional flexibility to keep pace with increasing demands for new connections, meter reading, repairs in established neighborhoods, mandated cross connection prevention, mapping of utility extensions, etc.

With regard to the Sewer Fund, no increase in sewer fees is proposed. However, the future needs of the treatment system will be a sharper focus of the Public Works Superintendent and the City Manager, and system improvements and related revenue will be reviewed. Specifically, the capacity of the present system and projected capacity needs will be studied in cooperation with a consultant in FY05 to study options for plant expansion. According to EPA guidelines, the capacity of the present plant is calculated according to a trendline of gallons treated. Because of a considerable amount of infill and infiltration, that trend registers higher in periods of unusual rainfall, and lower in periods of less than average rainfall. Within this EPA framework, the official notion of the percentage of plant in use is about 50-55%. However, in recent years we have witnessed lower than average rainfall, and thus relatively less infill and infiltration. Efforts undertaken by the City to repair cross connections and to remedy infiltration, as in the case of the substantial improvements on main lines beneath IL Rt. 64 and 23, contribute to this favorable trend. Nevertheless, the Superintendent's intuition is that in a period of average or higher than average rainfall and infiltration, the plant would be running at about 70-75% capacity, given the rise in new homes over recent years. This level of capacity utilization approaches the threshold where public facility managers would normally look to a professional study of the present and future needs of the plant and the system.

Finally, the FY05 budget identifies a number of "unfunded priorities." In the realm of operational expenses, the top unfunded priority is the hiring of shift personnel in the Police department. Based on previous Council direction, the next public safety hire for the purpose of expanding shift strength will be a patrol officer. Such increases are consistent with the strategic plan for the Police department.

While deferring some operational needs and capital projects on our staff "wish list," the FY2005 Budget envisions a wide range of services. As in previous years, the City's very dedicated and highly competent employees are the key to our ability to stretch our services while measuring our resources.

Council action on the FY2005 Budget will occur on April 19.

11. ORDINANCES

A. Ordinance No. 2003.99--An Ordinance Declaring the Result of the March 16, 2004 Referendum on Growth. First and Second Reading.

As required by state statute, the City Council must meet as a "Canvassing Board" to proclaim the result of the March 16 referendum. The tabulation of votes cast in Sycamore has been certified by the DeKalb County Clerk and Recorder, Sharon Holmes.

Specifically, the referendum on growth received 1,879 votes in favor, and 778 votes against, and accordingly passed. A copy of the abstract of votes is attached. City Council approval is recommended.

B. Ordinance No. 2003.100—An Ordinance Concerning the Recommendation of the Zoning Board With Respect to the Petition of the National Bank and Trust Company for a Variance from the Provisions of Section 11.08.08 of the Sycamore Zoning Code. First and Second Reading.

On Tuesday, March 23, the City’s Board of Zoning Appeals heard a request for a sign variance from the National Bank and Trust Company of Sycamore. The Bank is interested in replacing its familiar corner clock and signage with a new digital clock sign. The present clock has had many repair needs of late, and the mounting costs have prompted the bank to investigate a replacement.

The need for a variance stems from the fact that the smallest readable digital panel that could display time, temperature and other limited messages exceeds the 12 square foot allowance in Section 11.08.08 of the Sycamore Zoning Ordinance. When the variance application was submitted, the contractor for the Bank submitted a much larger projecting sign and clock, and this larger dimension was advertised in the public notice (see attached). In the interim between the variance application and the zoning hearing, the Bank reduced the overall size of the sign panel considerably (from 32.5 square feet to 21.25 square feet (see the attached color graphic which shows a smaller coachlight style in relation to the present sign). The present sign panel is about 16 square feet in area, which makes it a legal but nonconforming sign. As the Council may be aware, the sign area is calculated by measuring the tightest circle around the lettering or, in this case, the time and temperature panel. The area of the upper “cap” trim and lower “button” trim pieces are not included in the calculation of the sign area.

The Zoning Board reviewed the variance request and voted 4-0 to recommend its approval. City Council approval of the Zoning Board recommendation is requested.

C. Ordinance No. 2003.101—An Ordinance Approving a Collective Bargaining Agreement Between the City of Sycamore and IAFF Local 3046. First and Second Reading.

Since October of 2003, the City Manager and Fire Chief have been negotiating a new collective bargaining agreement with the executive board of Local 3046 of the International Association of Firefighters. These negotiations have led to a tentative agreement, subject to the approval of the City Council. The principal features of this agreement are as follows:

- ◆ A term of four years (from May 1, 2004 through April 30, 2008).
- ◆ A 3% base wage increase in Year 1.
- ◆ A 4% base wage increase in Year 2.
- ◆ A re-opener after January 1, 2006 to bargain over wages and health benefits for the last two years of the contract.

- ◆ A change in contract language to address the change from a minimum shift strength of three to four union firefighters plus an officer (Article 19).
- ◆ Elaboration of the different training tiers in more detail (Article 26).
- ◆ No changes in holidays, vacation or other paid leave benefits.
- ◆ An increase in the “longevity” bonus of \$250 every five years (\$50 per year).

City Council approval is recommended. If approved, the new contract would go into effect on May 1, 2004.

D. Ordinance No. 2003.102—An Ordinance Amending Title 1, “Administration,” Chapter 10, “Personnel Rules,” Section 1-10-1, Appointments,” and Section 1-10-9, “Salaries and Additional Compensation,” to Create a New Management Position of Assistant Fire Chief in the City of Sycamore, Illinois. First and Second Reading.

Based on the Council’s informal direction of March 1, and direction from the budget hearing of March 17, the City Manager has prepared an ordinance to add the new management position of Assistant Fire Chief. A copy of the job description is attached. As discussed at previous Council meetings, the Assistant Fire Chief would answer directly to the Fire Chief, and would perform a variety of administrative duties involving the planning, coordination, and direction of operations as well as providing administrative leadership in budgeting, emergency services, personnel and training. The Assistant Fire Chief would also assume full command in the absence of the Fire Chief.

The salary range for the position is \$60,000 to \$75,000. An additional allocation for salary and benefits has already been incorporated in the FY05 Fire Department budget. As the Council will note under “Considerations,” three of the City’s four Fire lieutenants applied for this position during an internal search during the past few weeks.

City Council approval of the ordinance changes necessary to establish this position is requested.

12. RESOLUTIONS

A. Resolution No. 447—Authorizing the Mayor to Sign a Local Agency Agreement with the Illinois Department of Transportation for Federal Participation in the Bethany Road Reconstruction Project.

The Bethany Road reconstruction project has an estimated price tag of \$3,851,000 from this point onward. This resolution and the next two resolutions identify the sources of revenue to fund the project. The attached Resolution No. 447 authorizes the Mayor to sign an agreement for federal participation in the amount of \$1,550,000.

City Council approval is recommended.

B. Resolution No. 448—Appropriating State Motor Fuel Tax Funds for the Reconstruction of Bethany Road, Section 99-00064-00-FP, in the City of Sycamore, Illinois.

The attached resolution appropriates \$1,881,000 in local motor fuel (MFT) tax funds for the Bethany Road reconstruction project. Of this amount, the City of DeKalb is obligated to contribute an estimated \$308,152.80 according to a prior agreement between the City of Sycamore and the City of DeKalb (Resolution No. 444; December 15, 2003). The larger part of the balance, up to an estimated \$1,572,847.00, will be drawn from the City of Sycamore's MFT funds.

City Council approval is recommended.

C. Resolution No. 449—Appropriating Local Funds in the Amount of \$420,000 for the Reconstruction of Bethany Road.

As a part of the financing for the Bethany Road project, the County of DeKalb will reimburse the City of Sycamore in the estimated amount of \$365,000 to \$370,000 for Peace Road improvements. An additional \$50,000 to \$55,000 must be provided by the City of Sycamore for two sanitary sewer laterals on the south side of Bethany Road. These municipal funds can be drawn from the City's Sewer Impact Fee Fund (Fund 5) since their purpose is to service the undeveloped Anderson property and adjacent properties.

City Council approval is recommended.

13. CONSIDERATIONS

A. Consideration of a Request by Julie Lundeen to Consider Adding a Package Goods Liquor License for Lundeen Liquors.

When the City Council adopted new liquor code regulations on April 7, 2003 one of the changes was to permit a departure from the population limit for package stores if a supermajority of three-fourths of the corporate authorities voted to suspend such a proration on a case-by-case basis. No specific procedures for petitioning the Council on this point were identified in the Spring of 2003. The City Manager suggests an informal presentation by the petitioner, Ms. Lundeen, to open the discussion on April 5 and to afford the general public time to comment. Formal action is not proposed until April 19.

City Council direction is requested.

B. Consideration of Additional Public Reaction to Ordinance No. 2003.95 Regarding the Hours of Operation for Outdoor Restaurant Liquor Sales.

At the last regular City Council meeting of March 15, the City Manager was directed to convene a meeting to mediate a difference of opinion about the potential impact of the new hours for outdoor restaurant liquor sales, which were codified in Ordinance No. 2003.95. According to that ordinance, the closing time for outdoor restaurant liquor sales was changed from 9:00 p.m. to midnight, Sunday through Thursday, and from 11:00 p.m. to 1:00 a.m., on Friday and Saturday nights.

A meeting was held on Tuesday, March 16 that included Lance Klinger of Ski's All American Pub; Charlie and Kathy Laing; Aldermen Cheryl Maness, Barbara Leach,

and Andrew Larson; Mayor Swedberg; and the City Manager. No consensus was reached at that meeting, but the City Manager met with the Laings and Mr. Klinger separately over the following week to assess the ground for compromise.

Different points of view remain. Mr. Klinger prefers to keep the hours as amended on March 15, as he indicates in his attached note to City officials. The Laings have indicated that they would be satisfied with a closing hour of 11:00 p.m., Sunday through Thursday, and midnight on Friday and Saturday night. The parties have competing commercial interests and different estimates of the impact of certain hourly limits. The Laings have voiced their concerns about potential noise and its effect on their tenants; Mr. Klinger has maintained that a rigorous maintenance of decorum among his patrons will alleviate concerns about noise. This debate about the proper closing hours is further complicated by some Administration concerns about the best general standard to follow in all of the City's commercial districts.

The Council has several options:

1. Return to the standard in effect prior to the action of March 15. No parties to the discussion have recommended this option.
2. Accept the Laing proposal to set the Sunday through Thursday closing hour at 11:00 p.m. and the Friday-Saturday closing hour at midnight.
3. Leave the present regulations in effect, which set the Sunday through Thursday closing hour at midnight, and the Friday-Saturday closing hour at 1:00 a.m.

City Council direction is recommended.

C. Consideration of an Administration Recommendation to Hire an Assistant Fire Chief.

With the Council's authorization, the new position of assistant fire chief (effective May 1) was advertised internally several weeks ago. Three of the Fire department's four lieutenants applied for the position before the March 12 deadline: Mark Kessler, Cary Niewold, and Tal Hickey. Each of the three lieutenants was interviewed on Monday evening, March 22, by an interview team consisting of the following:

- ◆ Ald. Alan Bauer, representing the Council's Fire and Police Committee,
- ◆ Fire Chief Riddle,
- ◆ Fire Chief Lanny Russell of DeKalb,
- ◆ Kurt Mathey, representing IAFF #3046,
- ◆ Mark Lovell, representing the Sycamore POC group, and
- ◆ City Manager Bill Nicklas

Copies of the interview questions and rating scales are attached, along with the job description. In view of the long experience of each of the candidates in the Sycamore fire service, the interview performance could only be one of a number of factors in making a judgment about the best candidate for the job.

After consultation with members of the interview team and the Fire department, and upon the recommendation of Fire Chief Riddle, the City Manager recommends the appointment of Cary Niewold.

City Council approval is requested.

D. Consideration of the Fire Chief’s Recommendation Regarding a New Rescue Pumper to Replace Engine #1.

On February 18, 2004 the Sycamore Fire department advertised for bids for a new, custom-built 1,000 gallon Pumper to replace the 1979 Fire Engine #1. Bids were received from three manufacturers and opened on March 3, 2004. The bid specifications were prepared by an ad hoc committee of firefighters in consultation with Fire Chief Riddle. The specifications expected the total price for the Pumper to include all equipment necessary to put the engine into service. The bidders were also asked to identify how much the small tools, hose, and equipment added to the price of the Fire Engine. A performance bond in the amount of purchase price was also expected of the bidders.

The companies that submitted bids are listed in the table below, along with a breakdown of their bids:

Company Name	Apparatus	Equipment and Tools	Total Amount of Bid
Rosenbauer – Central Division Fire Trucks of Illinois Inc., Pekin, IL	\$247,991.00	\$26,850.00	\$271,223.00
Alexis Fire Equipment Company—Alexis, IL Specialty Vehicle, Shabonna, IL	Not Indicated	Not Indicated	\$307,180.00
Crimson’s Fire – Brandon, SD Jimmy Diesel – LaGrange, Illinois	\$304,567.00	\$14,791.00	\$319,358.00

Chief Riddle recommends the Council’s approval of the low bid from Rosenbauer-Central Division in the amount of \$271,223.00. Chief Riddle reports that the custom pumper body and specified equipment will be mounted on a Spartan “*Big Easy*” four-door chassis. The apparatus will conform to NFPA 1901, Automotive Apparatus Standards, and will be custom-built according to a 70-page bid specification document.

Chief Riddle summarizes the main features of the pumper as follows:

- Custom Cab with Five person seating

- EMS cabinet
- 1000 Gallon, Water Tank
- 1500 GPM Hale, single stage pump
- Foam Delivery system
- Generator
- Air conditioning
- ABS brakes
- Allison 3000 EVS , touch pad Transmission
- Cummins ISC – 330 turbo-charged, diesel engine
- 8 KW Onan Hydraulically powered Generator

According to Chief Riddle, all of the equipment necessary to place the apparatus in service was also part of the bid package. The apparatus manufacturers were asked to bid these items with the truck because of their buying power and all manufacturers came in below quoted prices from the fire truck vendors.

The funding for this purchase is allocated in the amount of \$250,000 in the Capital Assistance Fund (Fund 6; #8521). The additional \$21,223 can be drawn from the Capital Fund balance, but would preferably be derived from savings achieved in FY05 over a number of equipment and vehicle purchases. In view of the fact that it does not appear that re-bidding this purchase will result in an overall price at or below the City estimate of \$250,000, the City Manager requests City Council approval of the Fire Chief's recommendation.

E. Consideration of an Administration Report on Options for the Use of the City's Private Activity Bond Volume Cap for the Year 2004.

According to the provisions of the Federal Tax Reform Act of 1989, all states have authority to allocate "private bond authority" with a ceiling tied to population. States may allocate their "ceiling" among the governmental units including home rule communities and certain state agencies such as the Illinois Housing Development Authority (IHDA) and the Illinois Development Finance Authority (IDFA). Communities are allocated private bond authority or "volume cap" on a per capita basis. Federal law limits the use of this volume cap for industrial revenue bonds or mortgage revenue bonds. Municipalities have the option of issuing their own bonds, transferring their authority to other communities, ceding their volume cap to one of the authorized state agencies for use on behalf of the City, or returning the authority to the State of Illinois which pools unused bond authority for state-assisted private development projects.

In the state of Illinois, there are three principal options for the municipal use of this bond authority: industrial revenue bonds, mortgage credit certificates, and a home equity loan program. In December 1998 the City ceded most of its bond authority to Kishwaukee Hospital which used the tax-exempt status to help finance a major facility expansion. Since then, the Council has annually ceded its authority to IHDA to create a mortgage credit certificate option.

The Illinois Housing Development Authority (IHDA) annually sponsors a mortgage credit certificate program that allows qualified first-time homebuyers to take 25% of the annual interest paid on their new mortgage as a credit against their federal income tax liability. The qualifying income levels are set each year and vary depending on the household size. This year, the upper income limit for a family of three or more in DeKalb County is \$73,600. For a household of one or two persons, the upper qualifying limit is \$64,000. The program also sets upper limits on home prices. This year, the upper limit on a new home is \$203,050 and the upper limit on an existing home is \$199,230.

The lending bank typically acts as the intermediary with IDHA. At the time a home is purchased, a certificate is issued to the homeowner. This certificate is filed with the homeowner's income tax to establish the credit. For example, say a buyer takes out a \$92,000 conventional market rate mortgage at 6.25%. On a 30-year fixed rate loan, the buyer would pay \$5,719 in mortgage interest in year one. With a mortgage credit certificate, the buyer can take 25% (\$1,430) off his or her federal income tax obligation which is the same as retaining \$119 in additional income per month. Over the life of the loan, the buyer would save \$27,981 in federal taxes.

The MCC tax credit is good for the life of the loan, so the tax saving is repeated so long as the family remains in the home. In addition to the direct benefit to the homebuyer, the program provides an incentive for local families to buy a home in Sycamore.

The mortgage credit certificate program brings no direct expense to local taxpayers and involves no staff work. IHDA and participating banks do all the paperwork, although the City may wish to assist in advertising the option. The volume cap is used exclusively by Sycamore residents for 18 months, and IHDA provides quarterly reports on the number of participating families, the average purchase price of the homes, and the amount of credits remaining.

The advantage of this program for prospective homebuyers with low to moderate household incomes is obvious. It should also be noted that a commitment of private bond authority to the IHDA program would not preclude the City from dedicating next year's volume cap to industrial revenue bonds if a worthwhile project develops.

The only downside to the mortgage credit certificate program is the limited number of families that can benefit under the City's modest cap. In 2004, the City's "authority" will be \$80 per capita or \$1,019,760 based on an IHDA-estimated population of 12,747 for Sycamore. Based on the average purchase price of \$164,550 for three-bedroom homes--new and used--in Sycamore in 2003 (Board of Realtors estimate), and an average down payment of 20%, only 7-8 Sycamore families might qualify.

Additionally, the program has not been well marketed by local financial institutions during the past two years, as historically low mortgage interest rates have been no impediment to home loans. In 2003, only one Sycamore family took advantage of the MCC program in the amount of \$100,800.

If the Council is interested, one other community—Galesburg—is looking for private activity bond volume cap to assist the renovation of an older apartment building for use by senior citizens and handicapped individuals receiving Section 8 housing assistance from the federal government. The attached letter from Mesirow Financial further describes this project.

City Council direction is recommended.

F. Consideration of a Closed Session to Discuss Collective Bargaining and Personnel Matters.

14. APPOINTMENTS

15. ADJOURNMENT