

**SYCAMORE CITY COUNCIL**  
**AGENDA**  
**August 16, 2004**

**City Council Committee Meetings**

**6:30 P.M. Meeting of the Streets and Walks Committee** to review a combined list of damaged or missing sidewalk sections in the City's four wards. At this writing the City Clerk's office is completing the compilation of all the aldermanic lists. A copy will be forwarded to the Council for review prior to the August 16 meeting.

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**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 Joint Meeting of the City Council and the Sycamore Plan Commission on July 12, 2004;
  - B. Approval of the Minutes for the City Council Meeting of August 2, 2004;
  - C. Plan Commission Minutes for the Meeting of July 12, 2004;
  - D. Payment of the Bills for August 16, 2004.
  - E. Budget Report for the First Quarter of FY05.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**

A. Consideration of a Presentation By Chuck Criswell Regarding the Turning Back Time Car Show of July 25, 2004.

B. Consideration of a Presentation by the Sycamore Economic Development Commission. Sycamore Economic Development Commission member Berni Schelkopf will introduce Michelle Schulz of Kar-Fre Flowers who will give a brief overview of her family firm's products and services.

**8. REPORTS OF OFFICERS**

**9. REPORTS OF STANDING COMMITTEES**

**10. PUBLIC HEARINGS**

**A. Public Hearing on the Proposed Annexation of a Commercial Subdivision Known as the Sycamore Bethany Center.**

This public hearing concerns the proposed annexation of about 52 acres on the south side of Bethany Road, about 0.40 miles east of Illinois Route 23. The details of the proposed development are outlined in the background notes to Ordinance No. 2004.31.

**11. ORDINANCES**

**A. Ordinance No. 2004.31—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Three Sula Investment Company for an Annexation Agreement, Rezoning, Preliminary Plat and Annexation of the Sycamore Bethany Center, Located on the South Side of Bethany Road Approximately 0.40 Miles East of Illinois Route 23 in the City of Sycamore, Illinois. First and Second Reading.**

The petitioner, Three Sula Investment Company, comes before the City Council with a proposed annexation agreement, rezoning, preliminary plan and annexation request for a commercial subdivision known as the Sycamore Bethany Center. A public hearing for this development was opened and continued at the last regular meeting of the City Council on August 2.

The Sycamore Bethany Center would lie immediately east of the Prairie Professional Park, presently under development by Dr. Dennis Collins. The proposed development consists of about 52 acres and 24 lots that would be zoned "C-3" Highway Business. The entire area falls under the conditions of the Sycamore-DeKalb boundary agreement of 1995.

According to the terms of this agreement, the property would be annexed by Sycamore, but Sycamore and DeKalb would equally share all tax revenues until the expiration of the agreement in 2015, unless the agreement is extended.

The main features of the proposed commercial development are outlined below:

1. Preliminary Plan

- Conforms to the 2003 Comprehensive Plan which depicts the Bethany Road corridor as a locus for commercial office, research, and light industrial uses.
- Depicts 24 commercial lots of various sizes.

- Locates storm water detention ponds along the Bethany Road frontage on lots 17 and 24, in the rear of the backyards of Lots 11, 12, 13, 14, 15 and 16; and south of Sula Drive on Lots 6 and 7.
- Depicts two access points at Bethany Road (Drake Street and Mediterranean Street), with a central cul-de-sac (Penna Court), and an eastward extension of Sula Drive to the common property line with the Thorald Anderson farm. All internal streets will be built to the City’s urban standards and publicly-dedicated upon completion.
- Shows Portland cement sidewalks running along both sides of the public streets.

2. The Annexation Agreement

- A twenty-year term.
- The concurrent requirement of a Park District annexation.
- Calls for “C-3” Highway Business zoning.
- Requires the payment of an annexation fee (presently \$2,000 per gross acre).
- Requires connection to the public water and sanitary sewer mains on Bethany Road.
- Acknowledges the City’s plans for the widening and reconstruction of Bethany Road, and provides necessary right-of-way and easements to support that project.
- Provides for the mowing of all open areas and retention areas during construction (Section 16). *This section needs to be amended to include a provision for continuing maintenance upon completion by the Owner or an association.*
- Requires compliance with the City’s landscape requirements for parking lots (Section 24). *This section was revised to provide for compliance with any successors to the codes that are enumerated. For instance, once the UDO is adopted, any unbuilt lots that will eventually have permitted buildings will need to comply with the landscaping provisions of the UDO, and not the Zoning Code of 2001, which the UDO will supersede.*

3. Traffic Study. The required study is attached. Because the consultant assumed the presence of a free-standing discount store on Lot 7 with an area of over 67,000 square feet, the traffic projections are likely to be substantially overstated. It is very unlikely that a discount store of that size would locate on an interior lot well away from the view of motorists on IL Route 23.

4. Variations—None.

**Recommendation:**

The Plan Commission reviewed the proposed annexation agreement and preliminary plan at its last regular meeting of August 9. At that meeting, the City Manager suggested that the Commission inquire of the petitioner if there had been any consideration of selling or leasing space adjacent to the Voluntary Action Center for bus parking by that agency. The annexation agreement is silent on this point. As they had during the May 10 review of the concept plan for this subdivision, the Commission expressed interest in some form of commitment on the part of the developer to a donation or lease of land to VAC for bus parking. It was suggested that a letter of intent be struck between the developer and the

agency. The attorney for the developer pledged his best efforts to produce a mutually agreeable document for the Council's review.

Mark Doherty, the counsel in behalf of the Three Sula Investment Company, forwarded a proposed letter of intent on Wednesday afternoon. This letter does not suggest a possible outcome or pledge any area of land, but promises that the developer would bargain in good faith with VAC. The City Manager suggested in response that the Three Sula Investment Company consider selling or leasing (for some minor consideration) a portion of the rear of Lot 9 (perhaps a ¼ acre) if VAC could provide the funding for the paved surface, retention, landscape screening, etc. that would be necessary to create more parking space.

On the basis of the developer's pledge to work with VAC to mitigate their parking needs, and on the condition that the two minor revisions suggested by the City Manager (and italicized in the text above) would be made to the annexation agreement, the Commission voted 10-0 to recommend the Council's approval. The attached annexation agreement includes the proposed revision to paragraph 24, but does not correct paragraph 16. A suitable revision to paragraph 16 making reference to some ongoing maintenance responsibility for common areas would be necessary before the agreement can be recorded.

City Council approval of the Plan Commission recommendation is requested.

**B. Ordinance No. 2004.32—An Ordinance of the Annexation of the Property Known as the Sycamore Bethany Center Located on the South Side of Bethany Road Approximately 0.40 Miles East of Illinois Route 23 in the City of Sycamore, Illinois. First and Second Reading.**

If the City Council approves Ordinance No. 2004.31, the Council will be obliged to approve the attached ordinance of annexation, which separately considers the actual act of annexation for recording purposes.

**C. Ordinance No. 2004.33—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Matt MacAlister to Rezone the Property at 247 North Cross Street From "R-2" Two Family Residence District to "R-3" Multiple Family Residence District. First and Second Reading.**

Matt MacAlister recently purchased the property at 247 North Cross. As Lyle Doty's background memorandum explains, upon the purchase of the property Mr. MacAllister razed a dilapidated single-family residence on the site. Mr. MacAlister is also completing the construction of two duplex structures on the opposite side of North Cross Street.

Mr. MacAlister's original intention was to subdivide the property at 247 North Cross to construct two similar duplex structures. However, it occurred to him that the total of four units might have a better appearance if attached in a single structure. In order to pursue a four-unit design, the parcel at 247 North Cross Street would have to be re-zoned from "R-2" Two Family Residence to "R-3" Multiple Family Residence. Mr. MacAlister has proposed such a re-zoning.

The lot area—15,902 square feet—would actually support four, 2-unit buildings within the R-2 zoning conditions. The proposed re-zoning would appear to facilitate a more compatible design and one that is consistent with the mixed zoning of the North Cross Street corridor. For example, immediately to the north of the property are the multiple family structures owned by the DeKalb County Housing Authority.

The Plan Commission reviewed this rezoning proposal at its regular meeting of August 9 and voted 10-0 to recommend its approval. City Council approval of the Plan Commission recommendation is requested.

**D. Ordinance No. 2003.34—An Ordinance Authorizing a One-Year Agreement with Blue Cross Blue Shield of Illinois to Provide Health Insurance for the City of Sycamore, Illinois. First and Second Reading.**

The City Manager is pleased to report that this year the City's employees have a choice in health care coverage. How we arrived at this position is worth recounting in some detail.

As the Council is aware, the City's health plan year extends from September 1 through August 31, so the month of August is historically the renewal period for the City's health insurance coverage. Because of the relatively small size of our insured group (around 100 employees), the present carrier—Blue Cross Blue Shield of Illinois—typically does not mail its renewal quote until early July. In order to solicit competitive quotes, our insurance broker--the Crum-Halsted Agency--sends out requests to various carriers to see if they would be interested in insuring our group and also to see if Blue Cross, our carrier since 1998, is giving us aggressive rates at each renewal. For the past six years, the results have been the same. Each year our broker has sent out ten to twelve requests for insurance quotes and each year the majority of the carriers that we contact have declined to quote on our group because the largest proportion of our retirees (20) will be covered by the City insurance plan until death. Those in their retirement years are typically living through a period in which actuarial tables predict the highest and most expensive health care risks. The several carriers that have offered quotes in recent years either come in higher than Blue Cross or will only quote on our active employees (thus excluding our retirees). In view of the lack of competition, our insurance rate increased by 20.2 percent in FY04, 28 percent in FY03, and 21.5 percent in FY02.

It is not surprising in this context that all of our employees (who pay 15% of the premium cost for family coverage) have expressed concern over the escalating annual premium contributions that must be paid for quality health insurance. Those employees who are not eligible for City-paid benefits upon retirement are especially concerned, as they do not know how they will afford to keep their health insurance coverage once they leave City service. In order to find a solution to this problem that would be equitable for both current and future retirees, the City's Health Insurance Committee began meeting in April 2004 for brainstorming sessions. The Committee also became more organized and purposeful: it was re-constituted as a representative body rather than an open forum for conversation and determined that it would make decisions through designated representatives from the three bargaining groups, the management group, and the retirees. Each of these groups had a primary representative and an alternate. The Committee members all agreed that the

mission of the Committee was two-fold: to find a way to decrease our health insurance premium as well as to find some type of plan that would allow participants to set aside funds now to pay for future health care expenses at retirement.

With the assistance of our broker, the Crum-Halsted Agency, the Committee members looked at the effects of changing various plan options, such as raising deductibles and copayments, as well as different types of plans that have a voluntary savings element built into them. The Committee members pursued a quote from Destiny Health, an enhanced consumer-driven medical plan with higher deductibles and built-in health savings accounts. Health savings accounts (HSAs) are offered in conjunction with high-deductible insurance plans. The employer usually sets up the fund with an initial contribution that can be supplemented by an employee contribution of any amount. The combination of funds can be used to offset deductible and other out-of-pocket annual health care expenses. If the fund is not depleted, the monies can be carried forward from year to year. At retirement, the balance is portable and can be used for health-related care or other purposes. Destiny Health was happily willing to consider our group and include our retirees in their plan if all of the current plan participants would complete a health questionnaire. All of our employees and retirees completed their questionnaires (with substantial assistance from Human Resource Director Jean Tritle) so that the City could obtain a quote from Destiny.

While this process was going on, our broker received the renewal rates from Blue Cross. The rates were more favorable than in recent years for the following reasons:

- a) our loss ratio (the dollars in claims divided by the dollars in premiums) had decreased from 102% to 65% since our last renewal, owing in large part to a reduction in large open claims from 7 to 3;
- b) Blue Cross had promised to take into consideration at renewal time the error that they made in December when they dropped our group from their computer system for a week, causing many inconveniences and embarrassments;
- c) Blue Cross was aware that we were actively pursuing an alternative vendor.

The result was an initial quote that was 15 percent higher than in FY04. When we informed Blue Cross through our broker that we had received a competitive quote from Destiny Health, the Blue Cross quote was further reduced to an annual increase of 9.94 percent. With two quotes in hand, Human Resource Director Jean Tritle also attempted to obtain rate information from the Local Government Health Plan (a self-insured employee health, prescription drug, dental and vision benefit program funded solely by participating units of local government). After three attempts, she was unsuccessful in soliciting any interest.

With a choice between two private insurance carriers who were actively pursuing our business, the Health Committee met on August 9 and interviewed representatives from both Blue Cross and Destiny Health. The attached legal-sized spreadsheet gives a snapshot of the options available from the two plans. For the first time, Blue Cross offered a variety of options including an HMO and a health care account that is similar to an HSA but is not portable. This approach was clearly in response to the expressed preference of the City's plan participants for choice. Blue Cross's HMO plan, "Blue Advantage," is similar to other health maintenance plans. The consumer chooses a primary care physician from a preferred provider network. The consumer cannot opt for a specialist or second opinion

without a referral from the primary physician, but the trade-off is a considerable cost savings since there are minimal out-of-pocket expenses, no deductibles, and no co-insurance. While several Committee members felt that the Destiny plan was good for those employees who wish to have a plan with a savings element, most felt that the plan presented too many changes for the majority of our employees and retirees to embrace. As a result, on August 9 the Health Committee voted unanimously to recommend that we remain with Blue Cross and offer participants the choice of staying on the current plan or switching to an HMO or Health Care Account. With these three options, the Committee felt it responded to the variety of needs and concerns expressed by our employees and retirees since April.

What will the Blue Cross renewal cost the City? By way of reference, the FY04 premium excluding employee contributions was \$1,111,867.78. It is still uncertain how many employees will opt for the Blue Cross HMO, HCA, or standard plan, so the final premium cost is uncertain. However, it is safe to say that the savings achieved from a reduction in premium cost for the conventional plan will be sufficient to fund an initial City contribution toward health care accounts (HCAs) for those employees interested in such an option. Under the Blue Cross HCA known as "Blue Edge," the City would set aside \$750 for a single employee or \$1,500 for a family into the HCA in FY05. The first dollars spent each year on covered health care services are paid from the HCA. The participant does not pay for any amounts that are applied to the annual deductible (\$1500 for a single employee and \$3000 for a family) until the HCA is used up. When the HCA balance is zero, the participant must then pay any remaining deductible. Once the deductible is met, the regular insurance benefits begin. If, at the start of the next plan year, there are funds remaining in a participant's HCA, these funds roll over and are combined with any new dollars the City would be adding to each account. The HCA balance can never be more than the annual individual or family deductible (\$1,500 or \$3,000). Since there are no copayments available in this plan, the Committee chose to recommend the plan that has no coinsurance amount; once the deductible is reached, the individual or family is covered at 100%. The Blue Cross HCA is not portable in FY05, and if the employee leaves City employment for any reason the HCA balance would revert back to the City. However, our Blue Cross representative indicated that the company would be introducing a plan next year that includes a Health Savings Account. In this type of plan, the savings account balance is portable, which will enable employees to accumulate funds for future health care expenses at retirement. Those participants who enroll in the HCA plan this year will have the option to switch to the Health Savings Account plan next year.

The premiums for the Blue Cross HMO coverage and the Blue Edge HCA plan (not including the amount the City will contribute to the HCA on behalf of each participant) are less than the premium charged for the current plan. The amount that the City saves in premium for those who enroll in the two alternative plans can be applied toward funding the HCA. It is estimated that about fourteen employees will opt for one of the new Blue Cross options this year, and more of our employees will likely do so as they become more familiar with such options.

City Council approval of the Blue Cross options brokered by the Crum-Halsted Agency is recommended. In FY05, the City Manager will challenge the Health Committee to continue to pursue healthier lifestyle choices for our employees and a variety of insurance options to keep the City's renewal rates below market averages. Since the late 1990s, the City has not moved to increase employee contributions to offset rising insurance premiums, preferring instead to consider such increases a cost of doing "business." However, the Health Committee is aware that there is a limit to what the City might consider "normal business costs" in terms of health care.

**12. RESOLUTIONS**

**A. Resolution No. 453—Authorizing the Display of Fireworks.**

The attached resolution would permit the display of fireworks during the County Courthouse Centennial Celebration on September 26, 2004. City Council approval is recommended.

**13. CONSIDERATIONS**

**A. Consideration of Recommendations from the Architectural Review Committee Regarding the 2004 Downtown Façade Grant Program.**

The Architectural Review Committee met on July 15 and again on July 30 to review applications for the FY05 downtown façade grant program. On June 7 the City Council revised the downtown improvement program by converting the loan program to a grant program. The initial program, instituted in 2003, provided loans at no interest up to \$5,000 with a repayment term of two years. The revised program provides up to \$5,000 in matching grant funds for qualified downtown property owners, subject to available capital funding. The FY05 allocation is \$25,000.

The application period extended for the entire month of June, and six (6) grant requests were received in the total amount of \$18,835. The grant requests are displayed in the table below:

Applicant	Location of Property	Amount Requested	Description of Project	Action
Art Bingham/Bob Fant	160 W. State	\$5,000	Restoration of façade to historic look	Recommend
Art Bingham/Bob Fant	156 W. State	\$5,000	Restoration of façade to historic look	Recommend
Jesus Romero	223, 229, 231 W. State	\$5,000	Unification of three facades	Conditionally Recommend
Rich Para	341 W. State	\$1,000	Installation of old-fashioned gooseneck lamps	Conditionally Recommend
Sycamore Chamber/Jeff Rolczynski	407 W. State	\$710	Installation of entry awning	Recommend
Jeff Rolczynski	407 W. State	\$2,125	Façade Painting	Decline to Recommend

Copies of the grant requests are attached. The Committee's recommendations are outlined in the table above and briefly described below:

1. 160 W. State. Art Bingham is the contract purchaser who wishes to restore the historic façade. His investment would restore the 1940s look of this building and its conjoined twin at 156 W. State. The Committee was very enthusiastic about this project and voted to recommend a \$5,000 grant for each of the buildings.
2. 156 W. State. See #1, above.
3. 223, 229, 231 W. State. Jesus Romero now owns all three buildings and wishes to unify the look of the attached facades, including the removal of the Tae Kwon Do sign and other unattractive façade treatments. Because his façade plan was still evolving, the Committee voted to conditionally support the grant request, subject to further review.
4. 341 W. State. Rich and Roseann Para intend to install three gooseneck-style lamps over their awning. The lamps are historic replicas of lighting used at the turn of the twentieth century. The Committee voted to recommend the request, but asked for some graphic representation of the façade with the lamps installed.
5. 407 W. State. The Chamber of Commerce is moving to the corner office in the professional building at the northwest corner of California Street and State Street. They proposed a canvass awning over the entry door, both to identify their new location and to soften the look of this building with its many textures and façade treatments. The Committee voted to recommend this modest request.
6. 407 W. State. The owner of this property, Jeff Rolczynski, was interested in finding a color scheme to unify his mix of façade textures. However, the Committee felt his request did not go far enough. The Committee rejected the original proposal and asked that he consider an application of stucco or dryvit over the second story yellow brick to unify the first two levels. Since the July 15 meeting, Mr. Rolczynski has sought estimates for such work (see attached). The Committee will take up his revised application in about one week, and make a final recommendation at the September 7 Council meeting.

City Council approval of the Committee recommendations is requested.

**B. Consideration of a Request for Proposals for a Comprehensive Community Fiscal Impact Study.**

The City Manager has drafted a request for proposals to solicit professional interest in a study of the fiscal impact of residential, commercial, and industrial growth on the City of Sycamore, the Sycamore Community Unit School District No. 427, the Sycamore Park District, and the Sycamore Public Library. Upon City Council approval, this "RFP" would be sent to qualified firms in the northern Illinois region. A recommendation will be made to the City Council at the September 20 meeting. It is estimated that, with the full cooperation of other taxing bodies, such a study can be completed in about ninety (90) days, or by the end of the calendar year.

City Council direction is recommended.

**C. Consideration of a Presentation by the Lenschow Family in Behalf of a Concept for the Eventual Annexation of Their Infill Property South of the Middle School and West of Brickville Road.**

In behalf of his family, Don Lenschow has requested City Council direction regarding his family's interest in the residential development of their four "infill" parcels in the vicinity of the intersection of Maplewood and Brickville Roads (see the attached letter from Mr. Lenschow). The total area of the combined properties is about 85 acres, but a large part of two parcels is in the floodplain. The properties are defined on the City's Comp Plan and slated for "neighborhood residential development." Mr. Lenschow estimates that the developable acreage would yield about 50 to 60 lots at today's lower density parameters.

The properties in question have been farmed for generations, but the family has cooperated with the City of Sycamore to permit several easements for utility extensions at no municipal cost. In the mid-1960s a water main easement was granted to serve the Sycamore Heights subdivision and the North School site. In 1978, the City secured an easement for a water main to serve the Sycamore Middle School. In October 2001 the Lenschows granted an easement for the extension of the alternate trunk sewer from the north side of the Kishwaukee River, west of Brickville Road, northward to the Heron Creek development site.

Until 2000, all development concepts were first presented to the City Council prior to their referral to the Plan Commission for further review. The Council ended this practice in 2000 in the belief that such a first step might appear to define an outcome before their advisory body had taken up a concept for review. The Lenschows are apprehensive that without some prior Council direction they might expend considerable private monies from their estate to process a plan through the Plan Commission, presumably in accordance with the adopted Comp Plan and relevant ordinances, to be delayed or rejected at the Council level in consideration of other, uncodified preconditions for development.

City Council direction is requested regarding the preconditions for the potential approval of a residential development scheme on the Lenschow properties.

**D. Consideration of a Report from the City Engineer Regarding the Status of the Oakland Drive Extension.**

City Engineer John Brady will bring the Council up to date on the status of the Oakland Drive extension.

**14. APPOINTMENTS**

**15. ADJOURNMENT**