

# SYCAMORE CITY COUNCIL

## AGENDA

January 17, 2005

### City Council Committee Meetings

#### **6:15 P.M. Meeting of the Sewer and Water Committee to Discuss Possible Water Fee Adjustments.**

During the FY05 budget workshops in the spring of 2004, the Sewer and Water Committee considered the topic of secondary water meters and also discussed the City's tiered rate schedule to determine if there could be some relief for residential users without imposing an unreasonable burden on commercial and industrial users. At that time, the Committee was well aware that local homeowners were faced with significant fee increases to fund the debt service for the completion of new Well #9 and the installation of radium treatment facilities at Wells 6, 8 & 9. The Council had raised the water bill for the average residential user (i.e. those using 1,700 cubic feet of water over 60 days) from about \$30 every two months to about \$39 on May 1, 2003 and had authorized a further increase to about \$49 every two months on May 1, 2004. At the end of the two years of phased increases, it was assumed that the average residential user would be paying \$114 more per year, or \$19 more per billing period, an increase of about 63%. Because the gross annual fee revenue from the two-year rate increase could not be reliably determined until the 2004 increase had been in place for most of the fiscal year, the Council was reluctant to modify the existing seven-tier system.

At this point in the FY05 fiscal year, it is possible to make some educated estimates about the extent of the new revenue generated by the recent water fee increases. Because neither Well #9 nor the radium treatment facilities are complete and on line, the Water Fund expenditures have been tracking well behind revenues in FY05. However, we estimate that the annual loan payments for these improvements will be approximately \$175,000 in addition to the current operating and maintenance and debt service costs for the Water Department. It appears that the trend in Water Fund revenues can support present services and the new level of debt service so long as the overall annual revenue in FY06 reaches the plateau of \$1.25 million. This begs the question: can the same level of funding be achieved by modifying the tiered system? A related question is: can the tiered system of water rates be modified to provide relief to the residential user without adversely affecting local business?

Presently, the City's water fee schedule charges a progressively lower per unit fee as the volume rises. However, those residents with the lowest rate of use—i.e. those using 400 cubic feet or less per billing period—pay \$2.59 per 100 cubic feet or a \$3.69 minimum bill (prior to May 1, 2003 the lowest users paid a \$7.97 minimum bill). Except for Edgebrook mobile home park residents and users outside the City limits, the current schedule (less meter maintenance charges) is as follows:

First 400 cubic feet.	\$3.19 per 100 cubic feet (\$3.69 minimum bill)
Next 300 cubic feet	\$3.00 per 100 cubic feet
Next 700 cubic feet	\$2.56 per 100 cubic feet
Next 1,300 cubic feet	\$2.13 per 100 cubic feet
Next 6,900 cubic feet	\$1.44 per 100 cubic feet
Next 7,400 cubic feet	\$1.17 per 100 cubic feet
All over 17,000 cubic feet	\$0.85 per 100 cubic feet

From September 1, 2003 through September 1, 2004 the present rates produced the following water fee revenue:

**Current Rates (average rate of 2.05)**

	400	300	700	1300	6900	7400	17000	Total
Number of Bills:	4864	4335	10795	10198	2947	273	288	33700
Consumption:	9818	26113	117963	197983	123581	35171	223928	734557
Dollars:	31319.42	78339	301985.28	421703.8	177956.64	41150.07	190339	<b>1242793</b>
Avg. Rate:	3.190	3.000	2.560	2.130	1.440	1.170	0.850	

Keeping in mind the need to achieve an FY05 revenue base of about \$1.25 million, a number of options are presented for the Council's review. Each option deletes the bottom and top tiers, and reconfigures the inner tiers to create a new, five-tier system. It should be noted that residential users would generally be affected by the first, second and third tiers; commercial users by the first through the fourth tiers; and industrial users by all five tiers. For the industrial user, the fourth and fifth tiers would be most significant. Also, each option notes the impact on the following classes of user: the small residence ("Small Res." is typically a two bedroom unit with no more than two occupants); large residence ("Lrg. Res." is typically a four bedroom detached single family home with four occupants); restaurant (a full-service, sit-down restaurant); industrial firm, and car wash.

**Option #1 (average rate of 1.956)**

Rates:		2.8	2.44	2.08	1.38	1.08		
Dollars:		<b>100606.8</b>	<b>287829.72</b>	<b>411804.6</b>	<b>170541.78</b>	<b>279826.9</b>		<b>1250610</b>
	Small Res.	<b>-6.84%</b>	Lrg. Res.	<b>-5.39%</b>	Car Wash	<b>9.65%</b>		
	Industrial	<b>25.95%</b>	Restaurant	<b>7.72%</b>				

**Option #2 (average rate of 1.96)**

Rates:		2.81	2.45	2.09	1.39	1.06		
Dollars:		<b>100966.1</b>	<b>289009.35</b>	<b>413784.5</b>	<b>171777.59</b>	<b>274644.9</b>		<b>1250182</b>
	Small Res.	<b>-6.47%</b>	Lrg. Res.	<b>-4.98%</b>	Car Wash	<b>8.44%</b>		
	Industrial	<b>23.67%</b>	Restaurant	<b>6.64%</b>				

**Option #3 (average rate of 1.966)**

Rates:			2.82	2.46	2.11	1.41	1.03		
Dollars:			101325.4	290188.98	417744.1	174249.21	266872		1250380
	Small Res.	-6.03%		Lrg. Res.	-4.37%	Car Wash	6.70%		
	Industrial	20.26%		Restaurant	5.09%				

**Option #4 (average rate of 1.972)**

Rates:			2.83	2.47	2.13	1.42	1.01		
Dollars:			101684.7	291368.61	421703.8	175485.02	261690		1251932
	Small Res.	-5.60%		Lrg. Res.	-3.78%	Car Wash	5.51%		
	Industrial	17.98%		Restaurant	4.03%				

**Option #5 (average rate of 1.924)**

Rates:			2.75	2.39	2.03	1.44	1.01		
Dollars:			98810.25	281931.57	401905.5	177956.64	261690		1222294
	Small Res.	-8.68%		Lrg. Res.	-7.27%	Car Wash	5.29%		
	Industrial	17.96%		Restaurant	3.79%				

In terms of the options shown above, the greatest relief for the residential user is offered by Option #5 and this option falls relatively lighter on the higher volume industrial users, although it just falls short of the revenue target of \$1.25 million. However, the estimated revenue is within a 5% margin of error and the options shown above do not include expected revenue from new housing units after September of 2004.

If the Council wishes to pursue a revised schedule of water fees, it is recommended that the City staff approach the commercial and industrial users that would be most affected by such a change to allow them to join this discussion prior to Council action. Our estimate of an “acceptable” dollar increase for industrial and commercial users should be balanced by the views of such firms, in view of the Council’s policy to promote industrial and commercial retention. It should also be noted that the City is required to seek the IEPA’s approval of any rate changes according to the loan agreement we entered for Well #9.

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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 City Council Meeting of January 3, 2005;
- B. Payment of the Bills for January 17, 2005;
- C. Plan Commission Minutes for the Meeting of December 13, 2004.

7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**

- A. Presentation by the Sycamore Economic Development Commission. Commissioner Jim Huntley will introduce Ron Floit, an owner of Floit Ready Mix Concrete Company, who will give a brief overview of his firm's history in the City of Sycamore.

8. **REPORTS OF OFFICERS**

9. **REPORTS OF STANDING COMMITTEES**

10. **PUBLIC HEARINGS--None**

11. **ORDINANCES**

**A. Ordinance No. 2004.70—An Ordinance Concerning the recommendation of the Plan Commission With Regard to the Petition of Kevin Wynn for a Final Plat for the Prairie Ridge Townhouse Development.**

On January 19, 2004 the City Council approved Mr. Wynn's petition to annex a 5.25-acre site on Coltonville Road for a townhouse development. Mr. Wynn's preliminary development plan showed the following features:

- Nine, 4-unit buildings for a total of 36 units on a 5.25-acre site, or a gross density of 7.17 units per acre.
- The units are served by privately owned and maintained streets.
- A total of 27 guest parking spaces are provided, or .75 spaces per unit. The minimum expectation has recently been around .75 spaces per unit (e.g. Roncon; Castle, etc.).
- A detention area is located at the northwest corner of the property.
- Sidewalks are provided along the Coltonville Road frontage.
- No open space for organized recreation is shown.
- There is a 25-foot setback from the west and east parcel lines.

The attached final plat conforms to the preliminary plat. Easements for public and private utility extensions (other than the large natural gas easement running through the middle of the property) are automatically assured anywhere within the common area, which includes all the land area outside the shaded building lots.

After consultation with Sycamore and DeKalb School officials on Monday, January 10, it was learned prior to the Plan Commission meeting that the development site is actually within the DeKalb Community Unit School District No.428. Consequently, any impact fees will be paid to the DeKalb School District.

The Sycamore Plan Commission reviewed the plat on Monday, January 10, and recommended its approval by a vote of 12-0, with the condition that the plat language be changed before recording to indicate the development area is within the DeKalb School District.

City Council approval of the Plan Commission recommendation is requested.

**B. Ordinance No. 2004.71—An Ordinance Approving a Contract Between the City of Sycamore and the Sycamore Chamber of Commerce.**

On December 20, the City Council considered a three-year contract with the Sycamore Chamber of Commerce to promote tourism and community development. After discussing the contract draft presented by the City Manager, the Council directed the Manager to prepare an ordinance that would authorize the execution of the contract.

The attached three-year contract generally identifies the performance objectives of a service agreement with the City, in much the same manner as the City's annual service agreement with the DeKalb County Economic Development Corporation. It should be noted that this proposal, as with the DCEDC contract, does not detail expenditure categories. It is assumed that the Chamber and, more particularly, the Discover Sycamore Group, has established a performance record in recent years that will inspire confidence in their ability to use any City grant monies wisely and in the City's best interest. To assure that this would be so, the contract calls for quarterly written reports identifying the uses of grant funds as well as the number and nature of commercial inquiries concerning available Sycamore retail space. In addition, the proposed contract requires semi-annual oral reports before the Council to summarize Discover Sycamore activities and to address any concerns the Council might have.

In terms of an annual allocation in support of the Discover Group's efforts, the proposed contract would maintain the current level of annual funding (\$45,000) and allocate these grant monies in two equal annual installments by May 15 and December 15 of each fiscal year that the contract is in effect. The City Manager, the city's chief financial officer, would receive the written quarterly financial and programmatic reports and make them available to the Council for further review.

The City Manager supports the attached contract. A continued financial partnership is valuable to the city government and the community for several reasons. First, the monies have been put to good use in recent years, and for a variety of activities that otherwise would fall to the City at probably a greater personnel cost. Second, the Chamber and its membership of more than 300 businesses is a key funnel for inquiries from potential visitors and business prospects because of the historic role of the Chamber of Commerce in addressing the needs of these constituencies. Rather than attempt to duplicate their local success, it is recommended that the City support a partnership with the Sycamore Chamber that permits them to be more successful and merges their success with the City's goal of a dynamic downtown business district.

City Council approval is recommended.

**12. RESOLUTIONS--None**

**13. CONSIDERATIONS**

**A. Consideration of the Fire Chief's Recommendation to Fill a Vacant Fire Lieutenant Position.**

In the spring of 2004, the Council approved a fiscal year budget and labor contract that anticipated the raising of the Fire department minimum shift level to five persons (four firefighters and one lieutenant). When the raising of the shift level was discussed during contract negotiations with IAFF Local 3046, the Fire administration judged that a department force of 22 (18 firefighters and 4 lieutenants) was necessary to maintain that new minimum staffing level without a substantial increase in overtime allocations. However, due to General Fund revenue constraints, the Fire department budget did not have sufficient resources to fill the one of the four lieutenant positions that was left vacant following the appointment of Cary Niewold to assistant fire chief in April 2004. In an effort to sustain higher minimum manning while constraining overtime costs, Fire Chief Riddle and IAFF Local 3046 experimented with some scheduling innovations and revised procedures. However, a series of on-the-job injuries in 2004 resulted in reduced manpower for much of the year. These operating strains had to be offset by fill-ins and acting officers, all leading to higher overtime allocations.

By the end of 2004, with nearly all full-time paid firefighters back in service, it was still apparent that the maintenance of a five-person minimum shift including an officer or acting officer would continue to involve substantial overtime without hiring more firefighters—an option for which there are presently insufficient resources. An alternative has been discussed within the department that would likely mitigate some of the budget constraints on the department's operations. If the Council authorizes the filling of the vacant lieutenant position this winter and also fills the firefighter slot left open by the in-house promotion to lieutenant, Fire Chief Riddle reasons that the budgetary impact will be slightly positive, and that the replacement firefighter will provide more flexibility in scheduling because he or she will allow for a modified swing shift again. The ability to float or swing several firefighters to shifts will help assure shift minimums without a reflexive resort to overtime.

Fire Chief Riddle will explain his proposal to the Council. The City Manager supports the proposal and, if the Council concurs, will notify the Fire and Police Commission to proceed with the necessary hiring steps.

**B. Consideration of the Fire Department's Feasibility Study for a Second Fire Station.**

During the Council's budget discussions in the spring of 2004, the Fire department proposed certain steps that would lead to the building of a second fire station within the next five years. The initial steps would include the identification of the capital and personnel costs associated with the opening of a second fire station. Toward this end, an allocation of \$20,000 was made in the FY05 Capital Assistance Fund budget to fund a conceptual architectural design for such a facility. In addition, the Fire Chief was directed

to provide a staffing study and an affordable plan for achieving the minimum departmental staffing to support two stations. However, prior to any consideration of “how” and “when,” the Council appropriately asked the Fire department to prove the “why,” namely, the need for a second fire station. The need for a second station was argued in the department’s 2001 strategic plan and was tacitly assumed when the Council accepted a parcel of land for such a station and other possible public facilities (e.g. a second elevated water tower) in the annexation of the Heron Creek development. However, the argument has not been substantiated in terms of the current department’s capabilities, expanded geographic responses, or the timeliness of those responses.

The attached memorandum from Fire Chief Riddle argues for a second fire station. His main points are as follows:

1. National benchmarks identify an optimal call radius of one and one-half miles in rural and semi-urban communities. The radius is drawn from the fire house doors in all compass directions. This “ring” of influence more reliably assures a response within four to six minutes for EMS calls and 10 minutes for fire calls. In 2001, about one-third of the department’s EMS call responses exceeded 6 minutes, partly because the department responded much slower to simultaneous second calls or follow-on calls. The increase in minimum manning has reduced the number of calls exceeding 6 minutes (in 2003, 24% were over 6 minutes) because it has helped with second call responses. Yet, further staffing increases at the south-central main station are not likely to offset increasing travel times to newer development areas well outside the current mile-and-a-half radius (see attached map).

2. The current station is literally piled to the roof frame with equipment and stuffed with first line vehicles, even after the relocation of some of the department’s gear and equipment to the maintenance garage behind the Public Safety Building at 535 DeKalb Avenue. The alternative of building an addition to the existing apparatus bay was considered in the late 1990s and rejected because (a) there would be insufficient parking for the displaced firefighter and POC vehicles, and (b) the addition would be approached from DeKalb Avenue which would exacerbate the risks and inconveniences associated with the backing of emergency vehicles on this busy street.

In arriving at a judgment about the feasibility of a new fire station, the Council will also need to evaluate the related personnel and capital costs. Assuming the station would be built on the Heron Creek parcel, which is well situated in terms of the mile-and-a-half response radii (see the attached map), the 3.32-acre site would have access to Peace Road via Frantum Road. Water and sewer have been extended to the site at the developer’s expense and detention is established. The station and adjacent drives and grounds would require about two of the acres. What would such a facility cost? It is premature to judge until a conceptual design study is completed, but some projections can be made on the basis of expenditures for neighborhood fire stations in comparable northern Illinois cities. For a modest station with two apparatus bays that will sleep up to 6 firefighters, a building of about 8,000 square feet is needed and would cost anywhere from \$125 to \$140 per square foot at 2005 prices (\$1,000,000 to \$1,120,000), depending on the desired finishes, with site improvements (e.g. driveways, landscaping, etc.) at about \$300,000. The total package would be about \$1,300,000 to \$1,420,000 at today’s prices. Barring unexpected

claims on the General Fund Reserve in the next few years, this sum could be paid in full from retained annual surpluses.

From the standpoint of personnel, a second fire station would require the raising of the shift minimum to six persons, creating minimum three-person shifts at each station each day. This would in turn require a minimum of twenty full-time paid firefighters and six officers, plus the assistant chief and chief. To reach this minimum threshold of personnel, the City would have to commit to four more hires before the station could be opened.

The City Manager agrees with the Chief's argument that a northside fire station is needed from the standpoint of rapid response. The capital cost of the building can be covered by the General Fund reserve in the very near term. If derived from this source, the substantial capital allocation for the new station would not fall on local taxpayers in the form of new debt funded by property taxes. The more difficult challenge is finding the new operating revenue to support the new hires while addressing other and competing staffing needs in the Police and Public Works departments.

City Council direction is recommended.

### **C. Consideration of a Police Department Report on a Recent Citizen Survey.**

In the fall of 2004, a survey was distributed with the assistance of the City's graduate intern, Ryan Kelly, and Assistant to the City Manager, Brian Gregory. A similar survey was completed in 2002. The purpose of the survey was to invite public views of the Police department's performance, and to provide an opportunity for citizen suggestions.

To ensure a random sample, surveys were sent to one residence on each page of the Water department's 270-page water billing register. After approximately two weeks, 93 surveys were completed and returned to City offices and seven were returned by the Post Office, yielding a response rate of 35%. This rate of return is valid and exceeds statistical norms.

The survey categories included "Public Safety," "Crime and Quality of Life," and "Police Performance and Presence." Generally speaking, the respondents felt that their hometown was safer than other communities in the area and believed, from their limited knowledge, that the department was properly investigating crime and enforcing the law. Perhaps due to local media accounts of more serious crime in and around our area, the respondents overall showed concern about the incidence of such crimes. In response to nearly all questions, the department scored better than in 2002.

More important than the instinctive answers solicited on the survey were the voluntary suggestions and comments offered by quite a number of the respondents. In a few cases, respondents offered helpful information about neighborhood concerns that were unknown to the department and these were promptly investigated. In other instances, respondents offered suggestions for further enforcement, such as neighborhood patrols, cracking down on downtown skateboarders, and traffic monitoring at stop signs.

The department's surveys have effectively tapped into citizen concerns and will be periodically repeated. Chief Don Thomas will present the 2004 survey results in some detail and answer any questions the Council may have.

**D. Consideration of a Preliminary Administration Report on the Proposed FY2005-2006 General Fund Budget.**

On January 3, preliminary projections of General Fund, Water Fund, and Sewer Fund revenues and expenditures for Fiscal Year 2005-2006 were circulated to the City's department heads. Since that time, some adjustments have been made after consultations between the City Manager and the City's management team. The following proposals are presented to the City Council for review and direction. Upon the Council's direction, the City Manager will work with the department heads and other administrative personnel to prepare a preliminary draft of a complete fiscal year budget for all operating departments. At the second Council meeting in February (February 21), the Council will be presented with a proposed capital budget for FY06.

**I General Fund Revenues**

On the revenue side, FY06 will be challenging. Here are the principal assumptions:

1. No new taxes.
2. Water fee increases will be proposed but will be revenue neutral, that is, reductions in household fees will be offset by modest increases in commercial and industrial fees.
3. As in each of the last eight years, the increase in the annual City property tax levy has been constrained to result in a decrease in the City's property tax rate. The general portion of the levy (including debt service) will be \$1,514,008 or \$37,883 more than FY04, but \$10,786 less than the general levy in 2001, owing to substantial increases in pension obligations over recent years.
4. The per capita local share of state income tax proceeds is expected to rise to about \$75.00, an increase of 3% over the FY05 budget level of \$72.80 per capita, and slightly above the FY2003 budget level of \$73 per capita. This assumes that the state legislature does not change the formula for this important revenue-sharing program in the Spring legislative session. It also assumes that the City's gross revenues will increase after a special census sets our official population at about 14,000 or higher. The City has applied for a special census in 2005 that will presumably start generating higher gross monthly allocations after December 31, 2005.
5. The former Kmart building is not expected to generate measurable sales tax revenue in FY06.
6. Based on year-to-date trends and a month-by-month comparison with the past three fiscal years, our overall sales and use tax revenues are projected to rise by about \$232,000 (5.75%) over FY05 levels. This amount represents about 36% of the projected increase in General Fund revenues in FY06.
7. Annexation fees will fall by 35% below the FY05 budget (\$100,000). The projected FY06 annexation fee revenue of \$65,000 will be \$495,509 lower than the actual revenues in FY04. A slowing of new growth may temper the service demands on governmental personnel. However, for the City of Sycamore, a slower pace of growth has the ironic effect of reducing the revenues needed to fund the personnel and small

capital items needed to serve a widening geographic area. This short-term negative fiscal impact needs to be offset by substantially greater sales tax revenues or increased revenues from some other local source—neither of which are forecast for FY06.

8. Engineering plan review and inspection fees will increase by about \$35,000 over the projected fiscal-year end total of \$165,000 for FY05. However, this increase is not attributed to new growth. It is assumed that a considerable amount of the time spent by the City Engineer on developments currently underway will not be tallied and billed until after May 1, 2005.
9. The total of all new General Fund dollars is projected to be \$654,018 (+7.28%) over the FY05 General Fund budget of \$8,989,790.

A word of caution: the revenue estimates that can be derived from trends established in the first eight months of this fiscal year are suggestive but far from absolutely reliable. For example, sales tax revenues (excluding restaurant/bar and telecommunication taxes) make up 34 percent of the overall General Fund revenues but are collected by the state and remitted to local governments at least two months after they are incurred. This means that the recent December tax warrants reflect purchases in October. In other words, the impact of consumer spending in the key months of November and December is not yet known.

For reference, here are some historic General Fund revenue numbers:

FY98-99 (actual)	FY99-00 (actual)	FY00-01 (actual)	FY01-02 (actual)	FY02-03 (actual)	FY03-04 (actual)
\$6,612,370	\$7,170,939 (+558,569) +8.5%	\$7,237,239 (+66,300) +1%	\$7,820,749 (+585,510) +8.1%	\$8,084,211 (+263,462) +3.37%	\$9,425,257* (+1,341,046) +16.6%

\*This large increase is misleading: the City took its development “dividend” in terms of annexation fees upfront rather than over a period of 4-5 years at the time of final platting. This one-time allowance applied to the North Grove Crossing, Sycamore Creek, Parkside Estates, and Willows developments. The total of all annexation fees was \$810,509 (\$250,000 was placed in the Capital Fund to cover a variety of vehicle and equipment purchases in FY05). Overall inspection and plan review fees brought in another \$265,000 more than the level of previous years.

### **Expenditures**

In FY06 the General Fund will spend \$706,287 (7.92%) more than we budgeted in FY05. The principal spending assumptions for the General Fund in FY06 are as follows:

- a) Health insurance costs will increase by \$287,598 (26%) and worker comp costs will increase by \$53,000 or 17.67%.
- b) The \$100,000 incentive payment to Menard’s will be paid from the General Fund reserve, and the City will pre-pay the FY07 (and last) installment from the same source.
- c) The street maintenance allocation in the Public Works budget (731-8316) will be reduced from \$150,000 to \$100,000 with the reduction offset by an additional \$50,000 allocation from the Capital Fund (06-8316) to maintain the annual budget of \$200,000 for crack-filling, alley repair, and minor re-surfacing projects.
- d) An additional \$100,000 will be transferred from the General Fund reserve to the Employee Benefit Assistance Fund (Fund 23) in order to fund two large payouts of

accrued leave to retirees after May 1. The General Fund Reserve is the appropriate source in that the reserve serves only two essential functions: to provide for accrued leave obligations of the City and to provide for emergency operations or other special, one-time capital outlays that would otherwise bear on local taxpayers.

- e) A new police officer will be hired after May 1. Presently, the department operates with only two patrol officers on duty over 50% of the time. This hire will constitute a net increase in shift strength, but it would take two additional police officers to ensure that three patrol officers would be on duty 24 hours a day, seven days a week.
- f) An assistant city engineer will be hired after May 1 to assist John Brady in his myriad duties;
- g) If the Council concurs, the fire lieutenant position left vacant by Cary Niewold’s promotion to assistant fire chief last spring will be filled by a promotion from the firefighter ranks in late January 2005. If the resulting firefighter vacancy is filled at the same time, there will theoretically be 22 shift personnel—the level we aimed to achieve with the three new hires in FY05. However, the absence of one firefighter on an extended medical leave will probably make for an effective force level of 21 for much of the 2005 calendar year. This adjustment is necessary. In FY05, firefighters have “acted up” an average of 14 days per month at overtime rates of pay. In addition, injuries of varying duration sidelined nine firefighters in 2004, adding to overtime costs. With the proposed promotion and replacement hiring, the average acting days should fall to about 5 per month (owing to scheduled days off by the fire lieutenants). No additional firefighter hire is funded for FY06 at this writing.
- h) Other FY06 hiring priorities—a laborer, a second police officer, and an additional firefighter—are not supportable by the projected FY06 General Fund revenues at this writing. If grant monies are found to offset a major portion of the cost of the firefighter or the police officer and if revenue trends brighten, we might be able to consider additional hires during the FY06 fiscal year.
- i) wage and salary increases will incorporate union contractual increases and management pay increases;
- j) Commodities and contractual services are generally frozen at FY04 levels, with the exception of upward revisions to meet our insurance requirements (noted in the General Fund Support budget), utility costs, etc.
- k) The City’s public safety dispatch costs (710-8344) will be \$505,000 (+1%).

Here’s a look at General Fund spending in recent years:

FY98-99 (actual)	FY99-00 (actual)	FY00-01 (actual)	FY01-02 (actual)	FY02-03 (actual)	FY03-04 (actual)
\$6,310,616	\$6,298,779 (-\$11,837) -.2%	\$6,393,527 (+ \$94,748) +1.5%	\$6,588,461 (+ \$194,934) +3%	\$7,395,346 (+ \$806,885) +12.25%	\$8,015,401 (+ \$620,055) +8.38%

## II Water and Sewer Funds

### Water Fund

At the top of this agenda, the Council’s Water and Sewer Committee will consider an adjustment in the tiered water fee schedule. It is not expected that the outcome will

significantly affect overall revenues; instead, the purpose of this investigation is to adjust the existing seven tiers of fees to provide greater equity in use rates among the residential, commercial and industrial users.

As Well #9 is completed and brought on line in 2006, operating and maintenance costs will increase and these costs will be reflected in the Water department's budget. In addition, the Water Fund's IEPA loan obligations will need to be adjusted to reflect actual costs of the Well #9 project.

No new hires are proposed.

#### Sewer Fund

No increase in fees or adjustments in the fee schedule are proposed. Before the end of FY05, Public Works Superintendent Fred Busse, working with City Engineer John Brady, will have circulated a request for qualifications for a consultancy contract to help the City project future system capacity needs and options for plant expansion. As reported in the spring of 2004, 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 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 has reached 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. When the cost of the projected consultant services is known in the next month or so, allocations will be suggested in the Sewer Fund and Sewer Impact Fee Fund.

City Council direction is requested.

#### **14. APPOINTMENTS**

#### **15. ADJOURNMENT**