

SYCAMORE CITY COUNCIL
AGENDA
May 2, 2005

City Council Committee Meetings
No Committee Meetings Are Scheduled

Regular City Council Meeting
At the Sycamore Center
7:00 P.M.

1. **CALL TO ORDER**
2. **INVOCATION**
3. **SWEARING-IN OF ELECTED OFFICIALS**
4. **PLEDGE OF ALLEGIANCE**
5. **APPROVAL OF AGENDA**
6. **AUDIENCE TO VISITORS**
7. **CONSENT AGENDA**
 - A. Approval of the Minutes for the City Council Meeting of April 18, 2005;
 - B. Payment of the Bills for May 2, 2005.
8. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. Proclamation Declaring May 2 through May 8, 2005 as Public Service Recognition Week.
 - B. Presentation of Plaque to George Beasley for his service as a member of the Sycamore Fire and Police Commission.
 - C. Presentation of a Plaque to Sgt. Keith Snyder in recognition of his thirty years of service to the City of Sycamore.
 - D. Swearing-In of Rod Swartzendruber, who has been promoted to the rank of sergeant in the Sycamore Police Department.
 - E. Introduction of John Laskowski, our new Assistant City Engineer.

F. Presentation by the Sycamore Economic Development Commission. Commissioner Bill Nicklas will introduce Bob and Sue Rozycki, owners of the Sycamore Coin Gallery at 320 West State Street, who will give a brief overview of their firm's products and services.

9. REPORTS OF OFFICERS

10. REPORTS OF STANDING COMMITTEES

11. PUBLIC HEARINGS--None

12. ORDINANCES

A. Ordinance No. 2005.01—An Ordinance Revising Title 6, “Motor Vehicles and Traffic,” Chapter 4, “Traffic Schedules,” Section 6-4-2, “Yield Streets” in the City Code of the City of Sycamore, Illinois. First and Second Reading.

The attached ordinance authorizes the installation of yield signs as follows:

Right-of-Way Street	Yield Street
Parkside Drive	East Cloverlane Drive
Parkside Drive	Fairway Lane
South Cloverlane Drive	Fairway Lane

These revisions have been prompted by the higher volume of traffic to and from the Parkside Estates subdivision. City Council approval is recommended.

B. Ordinance No. 2005.02—An Ordinance Approving a Grant of \$10,000 to the DeKalb County Economic development Corporation for Services to Citizens of the City of Sycamore, Illinois. First and Second Reading.

For over a decade, the City Council's budget has included three grant allocations. Ordinances 2005.02, 2005.03 and 2005.04 cover these grants and may be taken in omnibus fashion. For the last seventeen years, the City Council budget (701-8399) has funded an allocation to the DeKalb County Economic Development Corporation (DCEDC) to help defray organizational expenses. The grant has been accompanied by an organizational agreement (attached) setting out the reciprocal obligations of the City and DCEDC.

The proposed award underwrites the DCEDC staff's responses to cold calls and other inquiries concerning industrial space in Sycamore. Recent examples of the benefit of our association include the referral of Continental Custom Ingredients (CCI), the referral of Fullco Industries, and several companies that have since purchased industrial condominiums in the Sycamore Prairie Business Park.

An additional value of Sycamore's support for the organization is access to the County's best network of economic development officials, and a respected clearinghouse for development information. The City's seats on the organization's executive committee and Board assures us of a more timely and thorough access to such information. The attached

agreement requires prompt follow-up on industrial leads, the maintenance of a database on Sycamore's industrial sites and buildings, and regular reporting to the staff and Council. In FY05, the allocation was increased from \$7,000 to \$10,000 reflecting an average annual inflationary increase of 2.67% since the first \$7,000 allocation was made in the late 1980s. No increase is requested in FY06.

City Council approval is recommended.

C. Ordinance No. 2005.03—An Ordinance Approving a Grant of \$1,000 to the DeKalb County Community Foundation for Services to the Citizens of the City of Sycamore, Illinois. First and Second Reading.

The City Council budget (701-8399) has also historically funded a \$1,000 allocation to the DeKalb County Community Foundation to help defray organizational expenses over the past twelve years. This grant and others from local taxing bodies and private contributors helps offset the operational liabilities of the foundation and in turn optimizes the funds available for helping county agencies and new initiatives in the general welfare. Among the Sycamore agencies or groups that have been served in recent years are Opportunity House, CASA, Sycamore Child Care, VAC, Discover Sycamore, the Sycamore Chamber, the Sycamore Historical Society, the Midwest Museum, and the Sycamore Firefighters Preservation Company.

City Council approval is recommended.

D. Ordinance No. 2005.04—An Ordinance Approving a Grant of \$17,000 to the Voluntary Action Center for Services to Citizens of the City of Sycamore, Illinois. First and Second Reading.

Ordinance 2005.04 pertains to the annual allocation for services rendered to the City of Sycamore by the Voluntary Action Center (VAC). Specifically, the grant helps defray organizational expenses associated with TransVAC, which provides about 17,000 trips per year for Sycamore residents; MedVac, which provides about 350 trips per year to regional hospitals and other care facilities; and the Meals on Wheels program which provides about 18,000 meals for senior citizens and disabled persons in Sycamore. Only about 12% of the TransVac services and 3% of the Meals on Wheels services are offset by the proposed grant. Other VAC funding sources include state and federal grants, foundation grants, private donations, and user fees.

City Council approval is recommended.

13. RESOLUTIONS--None

14. CONSIDERATIONS

A. Consideration of an Administration Request for Direction Regarding a Refunding Opportunity for Outstanding 1999 General Obligation Refund Bonds.

When the Harris Bank assisted the City in the issuance of the \$2,005,000 2003 General Obligation Bonds, it was noted that a refunding opportunity would arise in 2005 with respect to the 1999 G.O. Bonds, which refinanced a portion of the 1996 Bond series at a

lower rate. Presently, the City has \$2,965,000 of Series 1999 bonds outstanding, of which the greatest portion--\$2,870,000—are callable at par beginning October 1, 2005. According to IRS regulations, a current refunding of these bonds cannot occur more than 90 days before their optional redemption date. So, the City may not close on any new bonds that refund the Series 1999 Bonds at a lower rate prior to July 5, 2005. In order to approach the July closing date in an orderly fashion in terms of the rating and pricing of any refunding bonds, the City has been advised by Eric Anderson of Harris Bank to determine, as early as May 2, whether to proceed with the refunding and how the City would like to realize the debt service savings.

Since the City abates the levy for the 1999 bonds, there are several savings options:

Option One: The City would see most of the savings over the FY06 and FY07 fiscal years. The City would still pay debt service through 2016, but at a reduced rate.

Option Two: the City can defer the savings to FY07 and realize debt service savings of slightly more dollars, based on current market conditions. The City would continue to pay debt service at a reduced rate, as in Option One, but the savings would dramatically knock down the FY07 debt service payment.

For every .10% that interest rates rise, the City loses approximately \$16,000 of savings. When the City Manager met with Mr. Anderson in early March, the deferred savings option (Option Two) promised an even greater return.

The City Manager recommends Option Two. The FY06 debt service has already been appropriated in the recently-approved FY06 Budget, and the compression of most of the savings in FY07 would allow a significant, one-time reduction in the General Fund transfer to the 1999 Bond Fund (Fund 19). City Council direction is requested.

B. Consideration of an Administration Request for Direction Regarding a Request from Opportunity House to Install Parking Spaces Within the Page Street Right-of-Way.

Over the years, a number of public and private entities have requested the Council's permission to park cars within the City's right-of-way, or to make permanent parking lot improvements within what has previously been public property. For example, one can observe a number of parkways that have been converted to striped parking spaces in or near the downtown area. In addition, the Sycamore Park District was given permission in the spring of 2003 to install perpendicular parking spaces on Page Street east of California Street to accommodate the Sycamore Park District's use of the former Duplex office building for recreational purposes. The Park District spaces are to be paved in 2005. The authority for such unique parking opportunities has historically been found in the City Code, Section 7-1-1, which requires a permit (generally interpreted as Council permission) for the installation of parking in the public way.

Opportunity House has requested City permission to install ten (10) perpendicular parking spaces off Page Street, plus a bus drive and handicap spaces serving a new addition to the Opportunity House complex. A drawing of the proposed parking areas and proposed addition is attached.

The City manager recommends Council approval of this request, provided the spaces are constructed according to the design and paving requirements of the City Code and Unified Development Ordinance.

C. Consideration of an Administration Request for Direction Regarding an RFP for Medical Services.

For the past 12 years, physical exams for new employees, annual exams for our firefighters, and exams for work-related injuries have been performed by Dr. Edward Hirsch at Kishwaukee Medical Associates (KMA). Earlier this year, Dr. Hirsch announced that he was leaving his practice at KMA in April and would be moving to Tennessee. The departure of Dr. Hirsch, and the fact that there have been several substantial changes to the providers of occupational medicine in the Sycamore/DeKalb area in the past year, prompted our staff to circulate a Request for Proposals (RFP) to area medical groups for the provision of occupational health and clinical services to the City.

RFP's were sent to the following providers: Kishwaukee Medical Associates, DeKalb Clinic Chartered, Kishwaukee Corporate Health, and Athletic and Industrial Medicine (AIM). The results of the RFP follow.

Kishwaukee Medical Associates responded that they would continue to provide the same level of service to the City that they have for the past twelve years. Dr. Ronald Feldman and Dr. Timothy Ruetten would be the two physicians who would now be providing these services. KMA would not be increasing their fee schedule for the City.

DeKalb Clinic Chartered responded that, as of March 18, 2005, they are no longer providing discounted occupational medical services to the local employer community and are transitioning these services to Kishwaukee Corporate Health.

Kishwaukee Corporate Health was created through a merger between Kishwaukee Health System and Corporate Medical Clinic. The firm believes that the combination of these two entities "provides a unique and exciting opportunity to provide cost-effective medical care, rehabilitation, wellness, and education services, as well as injury prevention." Their mission is to "partner with area employers to reduce injuries, facilitate early return to work and improve the health of the workforce, thereby reducing worker's compensation, lost time and health insurance costs." The physicians providing the services are Dr. Patrick Gannon, who has been an emergency room physician with Kishwaukee Hospital since 1991, Dr. Larry Wellendorf, and Dr. Christina Giacomini. They report that all three of these physicians are experienced with DOT, post-offer employment, and Fire/Police Department exams as well as acute injuries and the on-going care of job-related injuries. Kishwaukee Corporate Health currently performs the DOT drug and alcohol screening services for the City.

Athletic and Industrial Medicine (AIM) is new to the area and is owned and operated by Dr. Gregory Grubb and Dr. Cynthia Susedik, who was formerly an emergency room doctor at Kishwaukee Hospital for 12 years. The two doctors formed their partnership in response

to the need for experienced occupational and urgent health care in the DeKalb County area. AIM’s mission is to “partner with industrial business leaders to allow them to gain or maintain a competitive edge through increasing productivity and thus profitability.” Their goal is to “increase morale, boost productivity, lower absenteeism, and reduce costs to the health care system.” They also provide medical care, drug and alcohol screening, rehabilitation, wellness, and education services.

References were called on all three providers, and they each received excellent reports when asked about access to services and reporting times.

All respondents were asked for their pricing for specific procedures:

		AIM*		
	KMA	Regular	Discount	Kish Corporate Health
Exam	50.00	49.00	49.00	50.00
Chest Xray	50.00	114.00	114.00	90.00
Stress Test	225.00	556.00	556.00	235.00
Audiogram	20.00	21.00	19.95	20.00
Pul Funct Test	45.00	37.00	35.15	42.00
Chem Profile	50.00	50.00	50.00	42.50
PSA	95.00	75.00	75.00	30.00
Hep B Ag or Titer	<u>26.00</u>	<u>50.00</u>	<u>47.50</u>	<u>48.00</u>
	561.00	952.00	946.60	557.50
* The stress test cannot be performed at the AIM facility and must be done at Kishwaukee Hospital (Stress EKG \$469; Read fee \$87).				

After careful consideration of all the information submitted in the RFP’s, the staff recommend that the City award Kishwaukee Corporate Health a one-year contract to provide occupational health and clinical services to the City. We make this recommendation for the following reasons:

- It would consolidate the provision of medical services and drug/alcohol testing into one contract, as Kishwaukee Corporate Health is already providing the DOT required services, which they will keep at the same fee schedule as last year.
- Many of our employees, especially our firefighters, already know Dr. Gannon and are comfortable with him. Dr. Gannon also has experience and familiarity with Fire Department activities and job requirements, as he serves as the EMS medical director for the majority of DeKalb County’s EMS agencies.
- The stress tests that are done by Kishwaukee Corporate Health are done on state of the art equipment and are read by a cardiologist.
- Kishwaukee Corporate Health is “one stop shopping,” as many services such as physical therapy and work-hardening can be performed by the same facility.

- Kishwaukee Corporate Health is willing to work with the City on case management of its large worker's compensation claims in order to try to reduce claims costs (they will do this at a reduced rate of \$50/hour).
- The City has used Kishwaukee Hospital for services in the past, such as flu shots and a Health Fair. By contracting with Kishwaukee Corporate Health, we would now receive these services, as well as other educational services, at a reduced rate.

While we have certainly been happy with the services provided by KMA over the past 12 years, we feel that, for basically the same fees, we would be receiving additional services from Kishwaukee Corporate Health that KMA does not have the resources to provide.

City Council approval is recommended.

D. Consideration of a Joint Meeting with the Sycamore Board of Education and Other Stakeholders to Consider the Community Fiscal Impact Study Completed by the Center for Governmental Studies.

Mayor Mundy has called for a special joint meeting of the City Council and the Sycamore Board of Education on Thursday, May 19 at 7:00 p.m. in the community room of the National Bank & Trust Company at 230 West State Street. Several purposes are to be served by this meeting:

1. It will provide an opportunity for the Council and the School Board to jointly hear Roger Dahlstrom present his findings from the community fiscal impact study that the Center for Governmental Studies recently completed. The Council and Board will also have an opportunity to ask questions of Mr. Dahlstrom and his research associate, Theresa Wittenauer.
2. It will afford an opportunity for other stakeholders to "sit at the table" with the Board and Council, including representatives of the Sycamore Park District, the Sycamore Library, the city's Plan Commission, the Sycamore Economic Development Commission, the DeKalb County Economic Development Corporation, the Sycamore Chamber of Commerce, and the DeKalb County Building and Development Association. It is expected that a smaller working group consisting of representatives from each of these public and private entities will be organized to get to work on the policy implications of the fiscal study as soon as possible.
3. It will root any policy analysis in the independent findings of the Center for Governmental Studies, which were based on budgets, audits, and other financial documents provided by the City, the School District, the Park District, and the Sycamore Library.

In 1995, the City of Sycamore was approached by the Board of Education to help raise capital for future public school space. The Council responded with the Education Fee Ordinance which established a system of school impact fees, effective January 1, 1996. These fees were increased at the request of the School Board in April of 2002 and in February of 2004. According to press accounts, the Board now seeks higher fiscal impact fees. In addition, the Board is reported to be seeking the City Council's assistance in

raising operating revenue through transition fees that fall only on new housing, as in the case of impact fees. In view of the fact that the City government is being asked to participate intimately in the fiscal management of local schools, it seems appropriate to broaden the dialogue about means and ends to include key stakeholders and the wider constituency of “payers.”

The fiscal parameters that were objectively identified in the community fiscal impact study point to an operating rather than a capital shortfall for the School District over the next ten years. This conclusion is based on what we know of annual school impact fee revenues, the City’s Comp Plan projections for future commercial, industrial and residential growth, growth management regulations already in place, and the expectation that regulated growth in the period 2010-2015 will level out at about 250 units per year, per Council direction. Based on current enrollment (3,050) the School shortfall is about \$2,777 per student over ten years, or \$278 per student per year. This estimate includes all students, whether in new homes or existing homes. The policy options and financial tools that might be considered to address this projected shortfall are more numerous than recent press accounts have noted. The fiscal context is broader as well. The combined operating budgets of the City, the School District, the Park District, and the Library in FY2005 totaled about \$31 million. With no allowance for inflation or expanded revenues, this would equate to a total of \$310,000,000 over ten years. In this context, the School District’s projected shortfall of \$8.5 million is less than 3% of what the “community” is currently able and willing to pay its largest public service agencies. In many private businesses, this fractional shortfall would be considered a challenge for management, but not a financial crisis. Perhaps it is facile to suggest that an increase in annual school fees could cover the annualized shortfall of \$278 per student; but it is also facile—without further dialogue and an analysis of school spending—to suggest that we should rush to embrace higher taxes, real estate transfer fees, transition fees, or higher impact fees.

The City of Sycamore’s willingness to be a financial partner has been consistent and will be in evidence as this dialogue unfolds. One additional complicating factor is the fact that the School District’s EAV is about 35% larger than the City’s EAV, and the District’s geographical spread includes portions of the Town of Cortland and much of its northern planning area. The fiscal study did not carve out Cortland’s share of new student enrollments and costs.

The city staff are confident that a creative and equitable “Sycamore” solution can be achieved to address short-term funding issues, whether or not a long-term, state-wide remedy in education funding is achieved. We will work with the National Bank & Trust Company to prepare for the meeting on May 19 at 7:00 p.m.

14. APPOINTMENTS

15. ADJOURNMENT

