

SYCAMORE CITY COUNCIL
AGENDA
June 20, 2005

City Council Committee Meetings
No Meetings Are Scheduled

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **APPROVAL OF AGENDA**
4. **AUDIENCE TO VISITORS**
5. **CONSENT AGENDA**
 - A. Approval of the Minutes for the Regular City Council Meeting of June 6, 2005.
 - B. Plan Commission Minutes for May 9, 2005.
 - C. Payment of the Bills for June 20, 2005.
6. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. Presentation by the Sycamore Economic Development Commission. Commissioner Rose Treml will present Penny and Gary Carter, owners of Carter's Alley at 326 West State Street, who will give a brief overview of their store's history and services.
7. **REPORTS OF OFFICERS**
8. **REPORTS OF STANDING COMMITTEES**
9. **PUBLIC HEARINGS**
 - A. **Public Hearing on the Proposed Annexation of the Simon Farm Property for Commercial Purposes.**

Ordinances 2005.17 and 2005.18 on this agenda describe the terms and conditions for the annexation of the Simon Farm on the south side of IL Rt. 64, east and West of Peace Road, for highway commercial purposes. The public is welcome to speak to this matter.

10. **ORDINANCES**

A. Ordinance No. 2005.15—An Ordinance Amending Title 3, Business and License Regulations,” Chapter 2, “Liquor Control,” Section 3-2-1 “Definitions” and Section 3-2-6 “Classification of Licenses, Fees, Hours and Days,” to Permit the Sale of Alcoholic Beverages from Golf Course Beverage Carts When the Golf Course Is Open in the City of Sycamore, Illinois. Second Reading.

The City Council considered this item on first reading only on Monday, June 6. The Sycamore Park District has asked the Council to consider revisions to the liquor code to permit the sale of alcoholic beverages from a beverage cart during golf course operations, including special outings. A copy of the Park District resolution is attached. If the Council is supportive, the City Code would need to be revised as described in the attached ordinance. Park District officials will be present to answer any questions the Council may have.

B. Ordinance No. 2005.16—An Ordinance Amending Title 3, “Business and License Regulations,” Chapter 2, “Liquor Control,” Section 3-2-11, “Building and Location restrictions,” Paragraph A of the City Code of the City of Sycamore, Illinois. Second Reading.

This ordinance was likewise only considered on first reading on June 6. If the Council approves Ordinance No. 2005.15, the attached ordinance should be approved since it revises the “Liquor District” to include the geographic description of the Sycamore Golf Course where alcoholic beverages would be sold.

C. Ordinance No. 2005.17—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of US Bank, NA for an Annexation Agreement for Property on the South Side of Illinois Route 64, Being East and West of Peace Road, and the Subsequent Annexation and Rezoning of Said Property to “C-3” Highway Business District. First and Second Reading.

This petition requests the Council’s consideration of an annexation agreement that would define the terms and conditions for the annexation of the Simon Farm, which includes approximately 35 acres at the southwest corner of IL Rt. 64 and Peace Road and approximately 44 acres on the east side of Peace Road, south of the Hove property. These parcels are within an area slated for commercial business on the 2003 Comp Plan.

The key features of the proposed twenty-year annexation agreement are noted below:

1. Upon the approval of the annexation agreement, the Owner or assigns agrees to
 - Pay all applicable annexation fees, as they may change from time to time, only as final plats are submitted and approved.
 - Incur the expense for the recording of the annexation agreement and annexation ordinance, and for the preparation and recording of any plats pertaining thereto.
 - Within thirty (30) days of the approval of the agreement, the Owner agrees to execute a non-exclusive easement for sewer and water service (see Exhibit C) covering a twenty-five foot (25’) strip as described on Exhibit D (attached).
 - Pay recapture fees for the extension of Sarah Drive and related utilities westward from Peace Road and south of the common property line with the Artery Farm, at

such time as the area of the Subject Property adjoining the Artery Farm is developed.

2. Upon the approval of the annexation agreement, the City agrees to
 - Enact a valid and binding ordinance annexing the property and zoning it “C-3” Highway Business District.
 - Pay the cost of the survey associated with the preparation of a legal description and plat for the sewer and water easement.
 - Abate any City real estate tax on the Subject property unless or until it is developed.
 - Extend the sanitary sewer that exists at a point approximately 1,400 feet west of Peace Road on the south side of Illinois Route 64 along the south side of IL Rt. 64 to 600 feet east of the center line of Peace Road (see Exhibit D), at the City’s sole expense.

In sum, the City is offering to provide a substantial incentive—the cost of extending sanitary sewer to the east side of the intersection of Peace Road and IL Rt. 64—in order to annex and zone the two Simon parcels for commercial development. The annexation of these parcels along the terms outlined above will also make the Hove property contiguous and provide it with a sanitary sewer. Additionally, the extension of the sewer to the vicinity of IL Rt. 64 and Peace Road will provide another option for running sanitary sewer to the Artery Farm. Finally, the agreement provides a rationale for the joint access of the Simon and Artery parcels to the future Sarah Drive, as it may be extended westward from the Peace Road right-of-way. Altogether, these incentives should propel the commercial development of a prime commercial corridor defined by the 2003 Comp Plan.

The estimated cost of the sewer extension is \$100,000 which would be paid from the Sewer Impact Fee Fund (Fund 5).

At its regular meeting of June 13, the Plan Commission voted 11-0 to recommend this annexation agreement and rezoning to “C-3” Highway Business District. City Council approval of the Plan Commission recommendation is requested.

D. Ordinance No. 2005.18—An Ordinance Annexing the Property Known as the Simon Farm in the City of Sycamore, Illinois. First and Second Reading.

If the Council approves Ordinance No. 2005.17, the Council’s support for the attached ordinance is also requested. This ordinance separately considers the act of annexation for recording purposes.

City Council approval is recommended.

E. Ordinance No. 2005.19—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of the Chicago Title Insurance Company for the Vacation of a Portion of South Sacramento Street Adjoining 441 West High Street in the City of Sycamore, Illinois. First and Second Reading.

At a recent real estate closing, a discrepancy was noticed in the recorded plat and a survey for the property known as BP Amoco at 441 High Street which postponed the signing of

final documents. Based on a comparison of the different surveys and field measurements, it appears that the service station's sign and other appurtenances are on the City's Sacramento Street right-of-way. To clear up this confusion, a plat of vacation has been prepared which shows an area of public property to be vacated, including the portion below the station sign.

The Plan Commission reviewed this petition on June 13 and unanimously recommended the Council's approval. City Engineer John Brady does not believe the City needs the right-of-way for any foreseeable road reconfiguration. Consequently, the City Manager recommends that the Council use its home rule powers to waive the bidding (by a two-thirds vote) for the property to be vacated, since it is a strip of land that has long been maintained by the private owner and there is no other legitimate purchaser. If the Council concurs, the City Manager supports the Council's approval of the Plan Commission recommendation.

F. Ordinance No. 2005.20—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Bethany Road Development, LLC, Pappas Development, LLC and Bethany Business Condominiums, LLC to Rezone Property Fronting on Both Sides of Mediterranean Drive from “M-1” Light Manufacturing to “C-3” Highway Business District in the City of Sycamore, Illinois. First and Second Reading.

Mr. Pappas along with Dr. Glasgow, the original developer of the Bethany Business Campus, met with the City staff several weeks ago to discuss an unforeseen dilemma affecting the layout of new commercial buildings on lots abutting Mediterranean Drive. As the Council will see from the attached photocopy of the preliminary plan, the lots are of modest width and considerable depth. If each lot had a single user and all parking was in the rear of the principal buildings, the options for configuring the building on the lot would be numerous. However, the commercial market for multiple tenant buildings is unusually strong, and in order to squeeze several commercial tenants into a building with its front elevation facing Mediterranean Drive a building would need to approach both side lot lines. The sideyard setback requirement in an “M-1” Light Manufacturing District is fifteen (15) feet. Mr. Pappas has requested a rezoning to allow for a sideyard setback of ten (10) feet. The M-1 designation was originally chosen to conform to the zoning of Johnson Controls immediately to the west, and not because light industrial uses were expected to settle in the commercial subdivision. In fact, the “C-3” Highway Business District zoning to the north of the subdivision, to the west of Johnson Controls, and to the south (Three Sula; Collins developments) offers a wider range of uses complimentary to the health care and office uses sprouting on this stretch of the Bethany Road corridor.

The City staff support the rezoning request and do not believe it will adversely alter the essential character of this area. The Plan Commission considered this request on June 13 and recommended the Council's approval by a vote of 11-0. City Council approval of the Plan Commission recommendation is requested.

G. Ordinance No. 2005.21—An Ordinance Ascertaining the Prevailing Wages for Public Works in the City of Sycamore, Illinois. First and Second Reading.

Each year by July 1 the City must adopt the prevailing wage rate schedule for public works projects within the City's corporate limits. The attached ordinance and schedule satisfy this state statutory requirement.

City Council approval is recommended.

H. Ordinance No. 2005.22—An Ordinance Requesting Permission of the Illinois Department of Transportation to Close Illinois Route 64 from Main Street to Sacramento Street from 6:00 A.M. Until 4:00 P.M. on July 31, 2005 to Allow for the “Turning Back Time” Car Show in Sycamore, Illinois. First and Second Reading.

For the fourth consecutive year, the organizers of the “Turning Back Time” car show have requested the closing of Illinois Route 64 from Main Street to Sacramento Street from 6:00 a.m. to 4:00 p.m. for the annual car show, principally coordinated by Chuck Criswell of Chuck's Auto in Sycamore. As in previous years, the car show will feature a variety of vendors, antique cars, and some musical entertainment and should be well-attended. The event organizers expect about 900 vehicles.

City Council approval is recommended.

I. Ordinance No. 2005.23--Amending the Combined Annual Budget and Appropriation Ordinance for the Fiscal Year 2005-2006 in the City of Sycamore, Illinois. First and Second Reading.

The attached ordinance proposes a number of revisions to the City's FY2005-2006 Budget to satisfy Council direction:

1. Fund 5, “Sewer Impact Fee Fund.” Increase Line Item 05-8633, “Sanitary System Improvements,” from \$75,000 to \$100,000 to finance the sewer extension to the southeast corner of IL Rt. 64 and Peace Road.
2. Fund 6, “Capital Assistance Fund.” Create a new Line Item 06-8334, “Census Services,” with \$227,000 transferred from the General Fund reserve.
3. General Fund. Transfer \$227,000 from the unrestricted reserve to the Capital Assistance Fund to pay for the City's costs associated with the special census.
4. Fund 9, “Hotel/Motel Tax Fund.” Increase Line Item 09-8331 from \$0.00 to \$80,000 to finance the contract with The Daley Group.
5. Fund 9, “Hotel/Motel Tax Fund.” Transfer \$25,000 to Fund 13, “Downtown Revolving Loan Fund,” Line Item 13-8418, “Downtown Grants,” to expand the allocation for FY06. The Architectural Review Committee will ask the Council to dedicate the \$10,000 presently in this line item to an FY05 grant request from Jesus Romero (see “Considerations, Item B” on this Agenda).

City Council approval is recommended. Copies of the revised budget pages are attached for the Council's review.

11. RESOLUTIONS

A. Resolution No. 460—Authorizing the Mayor to Sign a Memorandum of Understanding with the U. S. Bureau of the Census to Authorize a Special Census in the City of Sycamore, Illinois.

At the last regular Council meeting of June 6, the Council directed the City Manager to proceed with the necessary steps to begin a special census of the city's population in all census tracts. As reported at the June 6 meeting, with a population estimate of 14,500 persons, a special census involving all census tracts would cost Sycamore \$226,015. Of this amount, \$127,166 is paid directly to the Census Bureau in advance, and the balance of \$98,849 is set aside by the City to pay local persons to work on the special census. It was also noted that the local census work might be more expensive depending upon the actual count and the City's skill in conducting the census. The City would be responsible for training and coordinating the local enumerators after some staff training provided by the Census Bureau.

The funding for the special census would come from the General Fund reserve, since the revenues in the Sales Tax Distributive Fund (Fund 22) are committed to the Harvestore brownfield project. Although the year-end audit has not yet begun, it appears that the General Fund reserve as of April 30, 2005 or Fiscal FY05 year-end was \$5,012,106 or 51% of the budgeted general operating expenditures for FY06. A reduction of the reserve by \$226,015 would require a revision to the FY06 Budget and would leave a reserve of \$4,786,091 or 48.7% of the FY06 budgeted expenditures of \$9,815,573. The year-end FY04 reserve was \$4,169,106 or 46.7% of the budgeted FY05 expenditures.

Of course, the result of the special census should be an increase in state-shared revenue that is per capita-based. Here are the revenue streams that are affected by an increase in census count:

- Local share of state income tax: the FY06 projection is \$71/capita
- Local share of state use tax (mixed with monthly 1% sales tax remittance): \$11.00
- Motor Fuel Tax: the FY06 projection is \$28.35/capita

We do not count MFT as a general revenue. Also, it is not based on gas prices but on gallons pumped, and the rising cost of gasoline has flattened the annual revenue from this source. Our actual MFT revenues in FY04 were slightly lower than in FY03, probably due to more conservation by consumers (including purchases of more fuel efficient cars).

So, if we combine the potential state use tax and income tax revenue increases, we might see \$82 per capita times the difference between the 2002 Census (12,020) and the 2005 Census (estimated to be 14,354 by Roger Dahlstrom's study), or \$191,388 (\$82 x 2,334) in the first year after the special census is done (it is not retroactive). It takes a minimum of 6 months for the census plus some time for certification so we are probably not looking at any change in revenue until spring 2006. Another thing to remember is that we have historically counted the state use tax in with the 1% sales tax in our budget so any drop below sales tax projections would offset modest use tax increases from a special census. In short, it would be prudent not to count on the use tax increase to show much overall budget impact. However, over the balance of the decade or until the next decennial census is

undertaken, the City could see an additional \$765,552 or a net increase of \$539,537 (i.e. the gross increase minus the cost of the special census).

The attached Memorandum of Understanding between the City of Sycamore and the U.S. Department of Commerce, Bureau of the Census, outlines the respective obligations of the Bureau and the City in more detail. City Council approval is recommended.

B. Resolution No. 461—Supporting the Proposals of the Mayor’s Ad Hoc Committee on Growth Management.

At the June 6 Council meeting, the Council considered the recommendations of the Mayor’s Ad Hoc Committee on Growth Management. The first meeting of the Ad Hoc Committee was on May 25, and followed a joint meeting of the Sycamore City Council and Sycamore Board of Education and other local stakeholders on May 19. A subsequent meeting of the Ad hoc Committee occurred on June 1. The two Ad Hoc Committee meetings took up the challenge posed by the joint meeting of May 19: to assess ways and means to close what NIU consultant Roger Dahlstrom termed a “fiscal gap” between the School District’s projected revenues and expenditures over the next ten years. At the first Ad Hoc Committee meeting on May 25, moderated by John Lewis, a wide variety of proposals were laid on the table for consideration. During the Committee’s discussion, Mayor Mundy expressed the City’s reluctance to raise the Home Rule Sales Tax rate at this time, because three recurring sources of critical capital revenue tied to the current rate would be at risk. Speaking for the Board of Education, Jim Dombek reported that the Board was not eager to raise student fees at this time. None of the Committee members were interested in raising the overall School District property tax rate. The Committee did agree on the following:

- The 2003 Comp Plan supports a balanced vision of community growth and should be supported;
- The “circuit breaker” regulation that has paced the annual number of permits since November of 2003 (Ordinance 2003.65) and has also deferred the timing of initial permits on a sliding scale from one to six years, based on the size of the residential development, is working and should be maintained;
- Impact fee schedules that are tied to the value of developed land should be adjusted at least every two years or more often if increases in land values spike higher than the average annual trend of 7-8%.

At the June 1 meeting, the Committee agreed on the following recommendations:

1. To support a real estate transfer fee within the Sycamore corporate limits.

According to the County Clerk’s records, there were 888 transactions affecting property within the Sycamore corporate limits with a total value of \$206,392,702. If a ½ percent fee had been in place, the resulting revenue would have been \$1,031,964. Looking forward, but taking a more conservative view of the annual value of the real estate transactions in Sycamore, it is not unreasonable to conclude that the projected *annual* School shortfall of an average of \$850,000 could be offset by a ½ percent tax. A real estate transfer fee requires a referendum. The next general election is in March 2006. The referendum would have to set the rate and the purpose of the fee. Unlike impact

fees and transition fees, this fee would fall on both new and existing home sales. City occupancy surveys over the past fifteen months confirm the 2000 Census conclusion that about one out of three Sycamore households have school-aged children. More specifically, about two-thirds of Sycamore's school-aged children reside in homes built before the current housing boom began in 2002.

2. To increase the School impact fees by 10.6%. The land value that is a critical variable in the School impact fee schedule that was last revised in February 2004 is significantly below present land values. If the School impact fees are adjusted upward by about 10.6 percent the fee revenue should keep pace with the likely bond and interest costs associated with the elementary school slated to be opened in 2008-2009. Detached single-family lots of 12,000 square feet are now selling for \$67,000 which computes to a quarter-acre price of \$60,803. In the present school impact fee schedule, a quarter-acre lot is presumed to be \$55,000. The difference is about 10.6%. In 2004 the School District received about \$575,000 in impact fees associated with 2004 City permits. That number reflects about 9 months of fees at the current rate (in the first quarter of 2004, the fee levels were about 75% lower for 4-bedroom homes). With the proposed 10.6% increase, and on the assumption that City permits will meet or exceed the 2004 total, the school impact fee revenue for 2005 should reach \$667,000, which is the threshold in annual debt service that the School District administration has set for a new 55,000 square foot elementary school on one of the two school sites donated by B&B Development.

If enacted, a revised School impact fee schedule reflecting a 10.6% increase would be portrayed as follows (the 2004 fees are shown in parentheses):

Per Unit Fee	2 BR	3 BR	4 BR	5 BR
Detached Single Family	814 (736)	3,259 (2,947)	5,544 (5,013)	4,298 (3,886)
Attached Single Family	772 (698)	1,441 (1,303)	2,941 (2,659)	
Apartments	789 (713)	2,140 (1,935)		

3. To revise Ordinance 2003.65 (approved in November 2003) to eliminate the use of "banked" permits in the first full year of permitting. According to the text of this ordinance, in determining the allowable annual permits for a new residential planned development, *"the annual allowance for the issuance of dwelling unit permits shall commence on January 1 of each year. The owner or developer of the planned unit development may carry over dwelling units not permitted from year to year and add those lots to following years, so long as the "bank" does not exceed one year's allowance. For example, if a developer is allotted 40 dwelling units per year, but receives permits for only 20 dwelling units in the first year, then 40 permits plus 20 unused permits would be allowed in the second year. In the year of annexation, the owner or developer of the planned*

unit development shall receive only a pro-rata allowance of permitted dwelling units, e.g. if a planned unit development is annexed on November 30, then the allowance for the first year would be 1/12th of the allowance for the year.” In the present context, when all entities represented by the Ad Hoc Committee are eager to more rigorously plan for future growth, the “banking” of permits can confound the precise prediction of maximum units per development per year. Eliminating this provision would tend to allow better fiscal planning.

4. To encourage the Board of Education to rely upon its general operating reserve to offset any actual shortfall in 2005-2006 or until the result of the referendum on a transfer fee is known. On May 10, 2005, Moody’s Investors Service upgraded the District’s bond rating to Aa3 in advance of its refunding of the outstanding Series 1997 bonds. This new bond rating will affect all of the District’s \$37 million of outstanding parity debt—an achievement for which the District should be warmly applauded. Moody’s Investors Service issued a press release noting that the District’s “\$19.7 million General Fund balance or a healthy 72.4% of General Fund revenues (fiscal 2004) provides significant budgetary flexibility.” District representatives and the Committee agreed that this reserve should not be seen as a long-term answer to the larger projected shortfall over the next ten years, but as a management fiscal tool that is useful in offsetting any deficit that may actually arise in the next school year.
5. To resist the adoption of transition fees, provided the transfer fee is approved. Transition fees are a category of exaction that has been adopted by expanding Illinois communities in recent years (including Waterman and Yorkville). The purpose is to provide additional revenue for a School district from the time of occupancy of a new home until tax money based on the full assessed valuation of the new home has been received by the District. To date, many of the transition fee schedules in effect in Illinois communities have been implemented to raise revenue for operating purposes. Several issues would need to be addressed with respect to transition fees: (a) to avoid a legal challenge some analysis needs to be undertaken to determine service costs per student; (b) such fees fall on new homes and not on existing homes; and (c) the Illinois courts have not considered challenges as to whether these fees are truly taxes since their justification is usually tied to the delay in full assessment. If considered taxes on court review, they may be judged selective in their impact as they would not apply to commercial and industrial property. The safer way to apply these fees, legally speaking, is through mutual agreement in the context of an annexation agreement.

If local residents were to approve a real estate transfer fee by referendum, transition fees would not be necessary, based on the projections of the Dahlstrom study.

6. To continue to meet to outline a marketing plan that will attract quality commercial and industrial businesses to Sycamore.

The City Council has a unique opportunity to lead this community-wide solution that enrolls all vested interests in an equitable remedy for the School District's projected fiscal challenges. The City Manager strongly recommends favorable Council action on the entire package of proposals.

12. CONSIDERATIONS

A. Consideration of a Plan Commission Review of the Intent of Ordinance No.

2003.65 With Respect to Multiple Developments on the Same Farm Property.

Recently, the City staff were been asked to interpret the intended meaning of a provision of Ordinance 2003.65—the growth management regulation which established both a restriction on the number of permits that may be issued per new development per year, and also the number of years before the first permit can be issued, based on the number of dwelling units in the subdivision (see the attached copy). According to the ordinance,

“In order to plan for orderly growth and to discourage the submittal of a series of annexation plats and preliminary plats from tracts of 100 or more acres held by the owner of record as the effective date of this ordinance, the City Council shall only consider, unless otherwise approved by a 2/3 vote of the corporate authorities, a single petition for annexation and preliminary plat approved for said tract and will only consider another petition for annexation and preliminary plat approval for said tract after a period of at least five years has elapsed.”

The staff reading of this passage is illustrated in the example below:

EXAMPLE:

260-acre farm parcel; potentially 390 dwelling units.

If Developer “X” purchases 80 acres of a larger 260-acre farm parcel with the intent of developing 120 dwelling units, the Developer can submit a preliminary plan and annexation petition for the 80 acres and may, upon approval, receive no more than 35 permits per year after waiting one year. A preliminary plan and petition for annexation of the remaining 180 acres and 270 dwelling units may not be submitted for another five years, unless the City Council waives this restriction by a two-thirds vote.

In the drafting of this ordinance in the fall of 2003 it was the staff intent to prevent a skirting of the permit restrictions in Ordinance 2003.65, but not to control the timing of private sales and purchases so long as the five-year waiting period was observed. The Council concurred. If a development firm chose to test the Sycamore market by purchasing a portion of a farm, the precise interpretation of this passage would be important in the staff and Commission review.

The Plan Commission re-considered the text at its regular meeting of June 13. The Commission concluded that the staff reading of the ordinance matches the intent as well as the Commission's point of view. Council direction is requested.

B. Consideration of a Recommendation from the Architectural Review Committee.

On December 6, 2004 the City Council granted Jesus Romero \$3,500 to remove a wooden awning from his property at 229 West State Street, and to develop renderings for a unified façade across the three contiguous buildings he now owns on West State Street. Since the

early spring, Mr. Romero has been working with the City staff and, more recently, the Architectural Review Committee, to arrive at a “look” which unifies his attached facades. Each building has different colored brick, different window elevations, and different entry features. Working with Johnson Canvass, which has provided many of the newer awnings in downtown Sycamore, Mr. Romero and the Architectural Review Committee are in agreement on a façade design for 223, 229 and 233 West State Street.

The plan calls for three attached awning frames shaped in a slanted or historic “loose fit” pattern (similar to the awning shape at Villa Verone). A “mustache” would rise above the point where the awning meets the building wall in each case, to hide old repairs and marks. The center awning would stand out further from the wall than the two end awnings, and would also rise higher on the building wall, to maintain a similar distance between the top of the awnings and the windows above. A toned-down logo would be stitched into the center awning. The west-side awning would identify the “Tequila Bar” entrance, and the east-side awning would have the phrase “Authentic Mexican Cuisine.” Color copies should be available for the Council meeting.

The grant program offers up to \$5,000 per building. Mr. Romero’s three buildings qualify for a total of \$15,000. He has already been granted \$3,500 as part of the FY05 program; Mr. Romero has requested an additional \$10,000. His own financial contributions to building improvements have exceeded that amount since January 2005. Further grant assistance would close the book on the FY05 program.

The Architectural Review Committee recommends Council support for a \$10,000 grant to Mr. Romero as part of the FY05 façade program. These funds would come from the Downtown Revolving Loan Fund (13-8418).

C. Consideration of an Administration Recommendation to Award the Contract for Painting the Cornice of the Sycamore Center to Moline Painting & Decorating in the Amount of \$5,675.00.

The FY2006 City Budget allocated funds for the repair and painting of the cornice on the Sycamore Center. This third-story work will involve a power lift and will extend for the better part of one week. Because it was anticipated that this project would cost more than \$5,000, bids were requested by the City Manager according to the City’s purchasing manual. The following bids were received:

Painting Contractor	Price
Moline Painting & Decorating, Inc.	\$5,675.00
Larry’s Painting Service	\$10,000.00

The City Manager recommends the Council’s approval of the Moline Painting bid. The funds for this project are found in the Capital Assistance Fund (06-8625).

D. Consideration of an Administration Recommendation Concerning the City’s Annual Audit.

Since the late 1990s, the City of Sycamore has regularly invited proposals from professional accounting firms to perform the annual independent audit of the City's combined financial statements including pension funds. Over the past three years, the City's audit has been performed by Clifton Gunderson of Sterling, Illinois, which underbid the firm of Siepert & Co. of Sycamore in June 2002. Typically, municipal organizations value the smooth working relationships that often arise from multiple-year contracts with financial consulting and auditing firms. However, since the accounting scandals of 2001-2002, many municipalities have been reluctant to extend such multiple-year contracts beyond three years.

City Treasurer Brian Gregory invited proposals from qualified firms in late May and three were received by the June 7 deadline. Last year's auditor, Clifton Gunderson, did not submit a bid. In a followup call it was learned that the firm was heavily committed elsewhere. The Council will recall the delay in receiving the FY04 audit from the firm last fall. The proposals we received are listed below:

Auditing Firm	Price
Siepert & Co. (Sycamore)	\$27,000
Sikich Gardner & Co. (Aurora)	\$23,900
Lindgren, Callihan, Van Osdol & Co. (Dixon)	\$22,000

The Siepert & Co. proposal assumed a three-year contract with a maximum escalator of 5% in year two and year three. All three proposals included the Library audit and pension fund audits, but added an additional \$2,000 to 2,500 for the single audit required of federal projects (e.g. the Bethany Road project).

Based solely on price, the Council would be advised to accept the LCV proposal. All three firms are very qualified and have a long record of successful audit relationships. However, the Siepert proposal is presently more appealing to the City finance staff, despite the \$5,000 difference, because there would be no extra staff time involved in "breaking in" a new consultant. Our past working relationship with Siepert introduces a familiarity with the City's records that should diminish the staff's contributions to the audit process in a like amount.

City Council direction is requested.

14. APPOINTMENTS

15. ADJOURNMENT