

**SYCAMORE CITY COUNCIL  
AGENDA  
February 20, 2006**

**City Council Committee Meetings**

**No Meetings Are Scheduled.**

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**Regular City Council Meeting  
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 Regular City Council Meeting of February 6, 2006.
  - B.** Payment of the Bills for February 20, 2006.
  - C.** Plan Commission Minutes for the regular Meeting of January 9, 2006.
  - D.** Monthly Budget Report for February, 2006.
- 7. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
  - A.** The Sycamore Economic Development Commission will spotlight the Kishwaukee Education Consortium. Dean Cople will introduce Bruce Griffith who will describe the consortium's members and programs.
- 8. REPORTS OF OFFICERS**
- 9. REPORTS OF STANDING COMMITTEES**
- 10. PUBLIC HEARINGS--None**

**11. ORDINANCES**

**A. Ordinance No. 2005.85—An Ordinance Amending Title 9, “Building Regulations,” Chapter 2, “Building Codes,” Section 4, “Building Permit Fees,” of the City Code of the City of Sycamore to Establish a Re-Inspection Fee. First and Second Reading.**

Building Commissioner Lyle Doty has recommended a “re-inspection” fee which would be charged to general contractors who chronically fail to cooperate in completing certain construction features prior to calling for an inspection. On occasion, a builder or contractor may call for an inspection and our inspectors may arrive to find that the permit holder or agent has not completed the work for which the inspection was called. This is not a frequent occurrence with most general contractors, and where re-inspections are necessary there is usually a sufficient explanation. However, some builders have not been consistently conscientious in the planning of their calls for inspection, leading to repeated and avoidable trips to pass a project along to the next phase. Such trips add up over time, and interfere with the efficient performance of our inspectors. Because the department’s efforts to gain more cooperation have not been successful in certain cases, Mr. Doty has recommended a type of fee which is in general use in other northern Illinois municipalities, and has led to more compliance. The attached ordinance would establish a re-inspection fee of \$50.00 that could be assessed at the Building Commissioner’s discretion. Of course, the use of such a charge would be monitored for fairness and consistency, and could be appealed to the City Manager.

City Council approval is recommended.

**B. Ordinance No. 2005.86—An Ordinance Purchasing Additional Right-of-Way at the Intersection of Woodgate Drive and Peace Road in the City of Sycamore. First and Second Reading.**

A fragment of land consisting of about 3,300 square feet or 0.0757 acres exists at the intersection of Woodgate Drive and Peace Road. It lies outside the County’s Peace Road right-of-way and would normally have been vacated to the City as part of its right-of-way, but for reasons that are unclear the private parcel was not ceded in this manner to the City many years ago and Woodgate Drive was built through the private parcel to Peace Road. Over time, this sliver was abandoned by its private owner and the County took possession in a tax sale. County Treasurer Christine Johnson has asked if the City might accept the conveyance for inclusion in the Woodgate Drive right-of-way. The County has assumed the cost of the current taxes and any delinquent taxes, and the City would assume a comparable cost (about \$250) for the conveyance.

City Council approval is recommended.

**12. RESOLUTIONS--None**

**13. CONSIDERATIONS**

**A. Consideration of an Administration Recommendation to Pass Along the Annual Cost-of-Living Adjustment for the Residential Refuse Fee.**

In December 2001 the City Council converted the residential refuse collection system to an “enterprise” system that should generate sufficient revenue to cover the annual cost of the City’s refuse contract. At the time of the 2001 Council action (Ordinance No. 2001.55), the Council was subsidizing the cost of residential refuse collection by about \$240,000 per year out of the General Fund. The Council reasoned that this subsidy was unjustified for several reasons:

a) the refuse hauler operates a private enterprise. If not for the City’s mediating influence, private homeowners would pay the actual operating cost plus a profit to the hauler. Given the City’s mediating influence, which provides a break to the homeowner even at our cost (no administrative fee is charged), refuse collection is one of the best bargains our residential homeowners realize. For less than the cost of a large pizza delivery per month, our residents enjoy a service that removes the detritus of our households at about half the going price for unregulated pickups. In the private sector, such an approach would lead to financial ruin. Notwithstanding all the public discourse about privatization and running our operations in a more businesslike fashion, the former subsidy as applied to the refuse collection system took one of the few public services with a well-defined cost and benefit and literally gave it away.

b) The Council accepted the financial analogy that can be drawn between the refuse collection system and our sewer and water systems. The Sewer and Water Funds recover 100 percent of their annual operating cost plus some additional revenue for administrative overhead and much-needed capital improvements. Such funds are enterprise funds, which is to say they are financed and operated in a manner similar to private enterprises. It is expected that the governing body will finance the cost of providing water and sewer treatment services on a continuing basis through user fees. In short, the Council agreed that the municipal government should not distinguish between the method of financing these services and the method of financing refuse collection.

The increase in monthly refuse fees from \$7.00 per month to \$10.00 per month in 2002 removed the subsidy and annually tied increases in the refuse charge to a cost-of-living adjustment based on data from the U.S. Department of Labor.

The present monthly residential refuse fee is \$14.54. This matched the household collection charge billed by Waste Management until January 1, 2006. Since the first of January, the City’s cost per residential unit has increased to \$15.08. A copy of Waste Management’s last bill is attached. The increase of 3.7% is consistent with Labor Department data published in December 2005. Pursuant to the City’s contract with Waste Management and the fee-for-service standard established in December 2001, the City Manager recommends that the City pass along the 54-cent monthly increase on the April water bill, as in recent years.

**B. Consideration of a Preliminary Capital Plan for Fiscal Years 2006-2007, 2007-2008, and 2008-2009.**

The proposed three-year capital budget is appended in a spreadsheet for the Council's review and comment. The Council and the general public will see a very ambitious proposal totaling \$24,159,802 but involving no increase in the City's portion of the aggregate property tax. Excluding monies set aside for the replacement of operational equipment and vehicles, approximately \$23,305,068 or 96.5% is dedicated toward the repair or enhancement of City infrastructure. The key projects are as follows:

**FY07 Highlights (May 1, 2006 through April 30, 2007—Total of \$2,537,502):**

- Engineering study for Water Tower #2: \$25,000.
- Engineering for Phase I of the treatment plant expansion: \$330,000.
- Sidewalk replacement (in addition to the Building department's annual sidewalk replacement program): \$100,000.
- Installation of radium treatment equipment at Wells 6, 8, and 9: \$1,325,000.
- Further demolition at the Harvester Square complex: \$200,000.
- Funding of the engineering and grading for the Peace Road bikepath from Bethany Road to IL. Rt. 64: \$105,000.
- Vehicle and equipment replacement including a used SUV in the Building department, a new backhoe, three police squad replacements, and a large dump truck: \$291,434.

**FY08 Highlights (May 1, 2007 through April 30, 2008—Total of \$10,796,300):**

- Construction of Water Tower #2 and related mains: \$3,000,000.
- Construction of Phase I improvements at treatment plant: \$6,171,000.
- Sidewalk replacement (in addition to Building department's annual sidewalk replacement program): \$150,000.
- Reconstruction of California Street from Elm to West State: \$850,000.
- Completion of architectural and engineering plans for Fire Station #2: \$200,000.
- Installation of surface and seeding for Peace Road bikepath from Bethany Road to IL Rt. 64: \$105,000.
- Replacement of ambulance: \$110,000.
- Vehicle and equipment replacement including two Police squads, a used SUV in the Engineering department, a used bucket truck, a street sweeper, new air packs, etc.: \$291,300.

**FY09 Highlights (May 1, 2008 through April 30, 2009—Total of \$11,252,000):**

- Construction and engineering for Phase II of the treatment plant expansion: \$6,032,000.
- Construction of Fire Station #2: \$2,500,000.
- Reconstruction of Locust Street from Exchange Street to Sycamore Street: \$275,000.
- Reconstruction of South Main Street from Elm to State: \$500,000.
- Reconstruction of State Street from Main to Locust: \$200,000.
- Sidewalk replacement (in addition to the Building department's annual sidewalk replacement program): \$150,000.
- General street maintenance (in addition to the annual \$200,000 Engineering program): \$300,000.

- The painting of Water Tower #1: \$150,000.
- Vehicle and equipment replacement including two Police squads, more air pack replacement, a used SUV for the Engineering department, new Scada equipment, etc.: \$272,000.

The City Manager requests Council direction so that final numbers can be put in the FY07 budget in the next few weeks.

**C. Consideration of an Administration Recommendation for a Proportional Increase in the City’s Water and Sewer Impact Fees.**

As the Council reviews the ambitious capital program detailed above and the appended spreadsheet showing the sources and uses of potential revenue sources, it will be obvious that impact fees will be important in the funding of some planned water and sewer system improvements in the next few years to serve the City’s new development areas. The last time the City of Sycamore adjusted its water and sewer impact fees was on April 1, 2002 following a recommendation from an ad hoc committee appointed by former Mayor Swedberg. This report summarizes the historic basis for such fees and recommends increases in both fees based on more current cost estimates of the capital projects for which such fees are established.

**Water Impact Fee**

Two types of capital features have remained the principal focus since the City’s impact fees were imposed in February of 1994: wells and storage tanks. It should be noted that the pattern of residential growth at the City’s edges requires main extensions as part of any new well or tower project, which in turn increases the overall cost of each project. The actual cost of a new water tower will vary in proportion to the storage requirement, which is roughly equivalent to an average day’s pumping. The current average daily pumping is about 1.7 million gallons. The estimated daily pumping for the year 2020 is 2.8 million gallons based on residential growth of 4 percent or less per year. As the Council is aware, the City’s present elevated tank only has a 750,000 gallon capacity.

If the Council does not extend the corporate boundaries beyond the planning limits in the 2003 Land Use Map, the City will need one well on the north side and another, larger elevated storage tank on the north side to serve the City’s ultimate corporate boundaries. The construction of another elevated storage tank is needed in the short run to maintain optimal water pressure in the north half of the system. The following proposal assesses the valuation of the new well and water tower on a cost basis as illustrated below:

Cost of a well:	\$1,750,000 (including new mains, etc.)
Capacity of a well:	864,000 gallons per day (based on 12 hours of run time per day @1,200 gpm)
Cost per gallon:	\$2.02 (vs. \$1.04 in present fee calculation)
Cost per 350 gallons:	<b>\$760</b> per house (assumes each person uses 100 gallons a day and the IEPA standard of 3.5 persons per household)

Cost of an Elevated Tank:	\$3,000,000 (including connecting mains)
Capacity of Elevated Tank:	\$2,000,000 gallons
Cost per gallon:	\$1.50 (vs. \$1.60 at in present fee calculation)
Cost per 350 gallons	<b>\$525</b> per house (again, assumes each person generates 100 gallons of treatable water per day and the IEPA standard of 3.5 persons per house)
Total Water Impact:	<b>\$1,285</b>

To implement a fee level that will underwrite these capital improvements, the cost per unit needs to be changed from \$299 to \$352 (+17.7%). City Council direction is requested. If the Council approves, an ordinance can be drafted for public review with the expectation of implementing the increase on the first of May.

**Sewer Impact Fee**

When the sewer impact fee was established in 1994, the key capital facility was the treatment plant and the impact of new development was gauged by the need for additional treatment capacity. This is still the case. Based on industry estimates and the IEPA standard of 3.5 persons per household, it was assumed in 2002 that new treatment capacity would be purchased at about \$5.00 per gallon. Assuming a consumption rate of 350 gallons per day, the resulting fee was \$1,750.00. In 2002 the capacity in use was about 55%, based on IEPA guidelines, which was an increase of about 21% over the 45.5 percent in use in 1994.

Where do we stand now? About 67% of the treatment plant capacity is in use, on average, over the calendar year. The key capital facility remains the treatment plant. The impact of new development is still gauged by the need for additional treatment capacity. The IEPA still employs the standard of 3.5 persons per household for the purpose of calculating water and sewer use. Whatever household standard we may believe is justified based on local demographic studies, the IEPA will use the standard of 3.5 persons when we present the agency with any expansion plans.

Based on the preliminary findings of the City’s consultant, McMahon Associates, and the report presented to the City Council by Tim Bronn of McMahon Associates on December 19, 2005, the cost of treatment in today’s dollars has increased to \$6.30 per gallon. If the connection charge was adjusted to this cost, the charge per unit would increase from \$500 per person to \$630. The resulting sewer impact fee would be \$2,205, an increase of \$455 or 26% over the current fee of \$1,750 per new housing unit.

City Council direction is requested. If the Council approves, an ordinance can be drafted for public review with the expectation of implementing the increase on May 1.

**D. Consideration of an Administration Request for a Closed Session to Discuss Collective Bargaining.**

14. APPOINTMENTS

15. ADJOURNMENT