

SYCAMORE CITY COUNCIL
AGENDA
April 3, 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**
 - A. Wayne Reisen, Sycamore School Superintendent, will appear to briefly express the Board of Education's appreciation for the Council's partnership in planning for future economic growth.
- 6. CONSENT AGENDA**
 - A. Approval of the Minutes for the Regular City Council Meeting of March 20, 2006.
 - B. Payment of the Bills for April 3, 2006.
- 7. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. The Sycamore Economic Development Commission will introduce Deanna Watkins, owner of Sweet Dreams Desserts, who will describe her firm's products and services.
- 8. REPORTS OF OFFICERS**
- 9. REPORTS OF STANDING COMMITTEES**
- 10. PUBLIC HEARINGS**

A. Public Hearing on the Proposed FY2006-2007 City Budget.

The proposed Fiscal Year 2006-2007 City Budget is offered for public review and comment. A copy is available for viewing in the Sycamore Public Library and copies can also be made through the City Clerk's Office. The City Council Finance committee, under the chairmanship of First Ward Alderman Alan Bauer, reviewed this document on March 22 and recommended it to the Council with minor revisions. The draft on view incorporates those recommended revisions.

Spending within the FY2007 Budget totals \$38,366,844, inclusive of all City funds. The General Fund budget, which supports most of the City's operating services (except the Treatment Plant and Water department), shows expenditures totaling \$10,334,204. These expenditures are offset by \$10,586,213 in anticipated General Fund revenues. The estimated General Fund operating reserve or starting fund balance will total \$5,440,363 or 52.6% percent of the planned General Fund expenditures for FY2007.

No new taxes or fees are proposed in the General Fund budget. With respect to personnel, the proposed General Fund expenditures include the following new hires:

- a) A new police officer (after May 1).
- b) Two new firefighters (one in mid-summer and another after December 1).
- c) An executive secretary to serve the Administration department and Mayor. The department presently does not have a secretary.

Other hiring priorities are not supportable in terms of projected revenues in FY07 but will need to be addressed in future fiscal years. These unfunded priorities include:

- ✓ a laborer in the Public Works department;
- ✓ three more police officers to ensure that seven officers are assigned to each shift, which means that a minimum of three patrol officers are on duty 24 hours a day, seven days a week;
- ✓ two more firefighters to attain a minimum shift level of six in order to achieve the threshold staffing for the support of two fire stations;
- ✓ a city planner.

Wage and salary expenditures will incorporate union contractual increases and management pay increases of about 4 percent.

Other significant General Fund expenditures include the following:

- Debt service of \$355,000 to fund the principal and interest on the 2005 refunding bond and the 2002 general obligation bond.
- An allocation of \$150,000 (513-8493) to pay the FY07 sales tax rebates to Sycamore Ford, Sycamore Mitsubishi, and Brian Bemis World Auto.
- An increase of 10% in health insurance premiums;
- A reserve transfer of \$100,000 to the Employee Benefit Assistance Fund (Fund 23) for accrued leave payouts at the time of the retirement of one senior employee in July, 2006.

In FY2007 the capital and special funds are all balanced with appropriate reserves. The FY2007 Budget proposes a very ambitious three-year capital spending program 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 FY07 portion of this capital program totals \$2,537,502. Highlights of the FY07 capital program are listed below:

- 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 bike path 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.

Apart from dedicated capital dollars, the overall capital program will be partly funded by general revenues. The General Fund (731-8316) will provide \$100,000 for street and alley maintenance such as crack-filling and micro-surfacing. This amount will be blended with \$100,000 from the City's Capital Assistance Fund (06-8316). Since our general revenues provide a steady share of the funds necessary to pay for the maintenance of our infrastructure, economic development is critical to the City. Sales and use tax proceeds, rather than property taxes, fines, or fees, are the principal source of our general revenues. Without fiscal strength in the form of strong general revenues, our municipal organization will not adequately satisfy the sometimes competing public expectations for more service and more capital improvements.

In the period from May 1, 2006 through April 30, 2009 the City's Water Fund, Water Impact Fee Fund, Sewer Fund and Sewer Impact Fee Fund will shoulder a very substantial portion of the financing of several big-ticket capital improvements. The Water Fund reserve and Water Impact Fee Fund will underwrite the greater share of the engineering and construction of the City's second water tower which will hold 2 million gallons and cost approximately \$3 million, inclusive of all related main extensions. In FY07, a feasibility study and preliminary engineering for the new elevated water tank will be funded by the Water Fund. It should also be noted that the Water Fund reserve and Water impact Fee Fund will finance the greater share of the installation of radium treatment facilities at Wells 6, 8 & 9 in FY07.

Coincident with this initiative, the Sewer Fund reserve and Sewer Impact Fee Fund will be tapped in the period FY07-FY09 for the planned treatment plant upgrade and expansion, which will cost approximately \$12,533,000. In FY07, the preliminary engineering for Phase I of this ambitious undertaking will be largely completed and will focus on sludge dewatering.

The Water user fee schedule may be adjusted in FY07 to reduce the present seven-tier schedule to five tiers. Such a revision would be “revenue neutral.” Residential users whom have historically paid a disproportionate share of the annual water revenues would pay less and the discount in their favor would be offset by slight increases spread over all commercial and industrial accounts. However, no such revision can occur without the consent of the Illinois Environmental Protection Agency because of the agency’s generous loan assistance for radium mitigation, which is of course tied to defined fee levels.

City Council action on the FY2007 Budget will occur on April 17.

11. ORDINANCES

A. Ordinance No. 2005.91—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to a Proposed Amendment to the Comprehensive Plan Involving a Sub-Area Plan for the Area Located at the Eastern Edge of Sycamore’s Corporate Limits and Being in the General Vicinity of Illinois Route 64 and Airport Road and the Surrounding Area. Second Reading.

At the last regular City Council meeting of March 20, the Council reviewed the proposed sub-area plan on first reading. The plan had been forwarded by the Plan Commission on March 13, at which meeting the Commission conducted a hearing on a fourth draft of a sub-area plan for the 675 acres extending north, south, and east of the intersection of Airport Road and East State Street. The proposed draft presented the following features:

- A pulling back of the City’s east “edge” from Lovell Road to the section line roughly between Lovell Road and Airport Road;
- Clarification of the south terminus of the re-aligned Airport Road north of the bridge over the East Branch of the Kishwaukee River;
- An extension of commercial uses south of the former State Street Motors to the proposed subdivision road that aligns with the entrance to the Sycamore Park;
- A buffer area of “green space” whose north boundary was the park entrance and whose south boundary was the north tree line of the Carls farmstead. This buffer extended easterly from the present Airport Road to the re-aligned Airport Road.
- The alignment of Hillside Road (serving the 10-lot Swanson’s subdivision) and the proposed entrance to the ORI area east of the present Airport Road.

The Plan Commission hearing was well-attended and testimony was heard from a number of residents of the two small County subdivisions at the south end of the plan area.

The revised plan that the Commission considered had the following intended land uses:

Land Use	Acres
Office, Research, Industrial	250
Mixed-Use Commercial	205
Open Space	115
Commercial	85
Residential	20
Total	675

The Commission voted 7-2 (with Lewis abstaining) to recommend the Council’s approval of this sub-area plan.

At the Council meeting on March 20, some Council members expressed a preference for more commercial uses north of IL Rt. 64 and east of the future Airport Road extension. A revised plan map has been prepared to reflect that preference. It depicts solely commercial uses up to the reconfigured Old State Road, while retaining a “mixed use” designation north of the realigned Old State Road, which would arguably be too distant from the IL Rt. 64 corridor to attract commercial retail uses. If the Council concurs with this change, the resulting land use apportionment would be as follows:

Land Use	Acres
Office, Research, Industrial	250
Mixed-Use Commercial	120
Open Space	115
Commercial	170
Residential	20
Total	675

City Council approval of the attached sub-area plan on second reading is recommended. If the Council approves the land-use map, the City staff will prepare a narrative based on the land use map that will be presented to the Council for review. Upon approval, the narrative and map would constitute an appendix to the 2003 Comprehensive Plan.

City Council approval of the Plan Commission recommendation is requested.

B. Ordinance No. 2005.93—An Ordinance Amending the City Code of the City of Sycamore by Adding a New Chapter 20, “Real Estate Transfer Tax,” to Title 3, “Business and License Regulations,” in the City of Sycamore, Illinois. First Reading.

On Tuesday, March 21, Sycamore voters approved a referendum to implement a real estate transfer tax in the City of Sycamore to supplement the revenues of the Sycamore School District. The final tally was 1,477 votes for the question, and 940 votes against the question (about a 61%/39% split). To carry out the will of the majority of those voting, the Council will need to establish, by ordinance, the procedures as well as any exemptions to the new transfer tax.

As the Council is aware, the tax will be paid by the buyer of the real estate transferred at a rate of one-half of one percent (.005) or \$5.00 for each \$1,000 of value, or fraction thereof. The payment will take the form of the purchase of a tax stamp from the City Treasurer or his designee, applied to a form prepared for this purpose to assure the closing agent(s) that the tax has been paid before the property is transferred. A sample form is attached for the Council’s review. Monies collected by the Treasurer will be transferred to the business manager of the Sycamore Community Unit School District No. 427 on a quarterly basis.

The annual City and School District audits will reflect these transfers. The District will also submit an annual report to the Council reflecting the uses of the transfer tax proceeds.

The exemptions to this tax are as follows:

(a) Deeds representing real estate transfers made before June 1, 2006, [effective date of this ordinance] but recorded after that date and trust documents executed before June 1, 2006, but recorded after that date.

(b) Deeds to or trust documents relating to (1) property acquired by any governmental body or from any governmental body, (2) property or interests transferred between governmental bodies, or (3) property acquired by or from any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes. However, deeds or trust documents, other than those in which the Administrator of Veterans' Affairs of the United States is the grantee pursuant to a foreclosure proceeding, shall not be exempt from filing the declaration referenced in the ordinance.

(c) Deeds or trust documents that secure debt or other obligation.

(d) Deeds or trust documents that, without additional consideration, confirm, correct, modify, or supplement a deed or trust document previously recorded.

(e) Deeds or trust documents where the actual consideration is less than \$100.

(f) Tax deeds.

(g) Deeds or trust documents that release property that is security for a debt or other obligation.

(h) Deeds of partition.

(i) Deeds or trust documents made pursuant to mergers, consolidations or transfers or sales of substantially all of the assets of corporations under plans of reorganization under the Federal Internal Revenue Code or Title 11 of the Federal Bankruptcy Act.

(j) Deeds or trust documents made by a subsidiary corporation to its parent corporation for no consideration other than the cancellation or surrender of the subsidiary's stock.

(k) Deeds when there is an actual exchange of real estate and trust documents when there is an actual exchange of beneficial interests, except that that money difference or money's worth paid from one to the other is not exempt from the tax. These deeds or trust documents, however, shall not be exempt from filing the declaration.

(l) Deeds issued to a holder of a mortgage, as defined in Section 15-103 of the Code of Civil Procedure, 735 ILCS 5/15-103, pursuant to a mortgage foreclosure proceeding or pursuant to a transfer in lieu of foreclosure.

(m) A deed or trust document related to the purchase of a principal residence by a participant in the program authorized by the Home Ownership Made Easy Act, 310 ILCS 55/1 et seq., except that those deeds and trust documents shall not be exempt from filing the declaration.

(n) A deed or trust document where the grantee or buyer is purchasing homestead real estate within the city and has maintained resident status within the corporate limits of the City of Sycamore for a period of at least one year prior to the date of application for exemption from the transfer tax to be imposed. This would exempt renters who met this condition.

Every deed which is tax exempt pursuant to this Section shall be presented to the City Treasurer so as to be appropriately marked by said Treasurer as an exempt deed eligible for recording without the payment of tax. At such time as a deed is presented to the City Treasurer pursuant to this Section, there shall be filed with the Treasurer a certificate setting forth the facts which justify the exemption of the deed presented. The certificate shall be executed on behalf of the grantee or buyer, and shall be on a form provided by the City Treasurer.

After the effective date of this Ordinance, no deed conveying real property within the corporate limits of the City of Sycamore may be recorded by the Recorder of Deeds for DeKalb County unless such deed shall bear either a Sycamore Real Estate Transfer Tax stamp in the amount required by this Article, or an exemption mark from the Sycamore City Treasurer.

In the event of failure by any person to pay to the City Treasurer the tax required hereunder when the same shall be due, interest shall accumulate and be due upon said tax at the rate of one percent per month commencing as of the first day following the day when the deed was recorded or the assignment of beneficial interest as accepted by the trustee. In addition, a penalty of fifty percent of the tax and interest due shall be assessed and collected against any person who shall fail to pay the tax imposed by this Chapter. The City may bring an action to collect such tax, interest, and penalties in any court of competent civil jurisdiction.

The City Manager recommends that the City Council receive and file this ordinance on first reading only to allow for more public response.

C. Ordinance No. 2005.94—An Ordinance Revising Ordinance No. 94.46 Regarding the Requirement of “Knox Boxes” at Certain Property Entrances in the City of Sycamore, Illinois. First and Second Reading.

In May 1995 the City Council approved an ordinance requiring the installation of a “Knox Box” or other UL-approved key box at the entrances to all commercial, industrial and residential buildings with fire alarm control panels or fire protection systems within two years of the passage of the ordinance. These boxes are opened by master keys carried by Fire department crews responding to alarms and contain vital keys to alarm panels that can direct first responders to the location of a suspected fire threat. They also contain entrance keys that can allow entry without breaking or forcing main entry doors.

Since the ordinance was put into effect, compliance has not been consistent. The principal reasons are several: (a) the ownership or management of certain buildings has changed and the importance of the key box may have gone unnoticed; and (b) the city’s enforcement has not been consistent. The attached ordinance more clearly identifies the places where such boxes are required, and the necessary contents of the box. If approved, the Fire department

will begin a public education effort to make sure all appropriate locations are served by such a box.

City Council approval is recommended.

12. RESOLUTIONS--None

13. CONSIDERATIONS

A. Consideration of an Analysis by Dr. David Emanuelson of Strategic Management Alliance Regarding the Estimated Ultimate Population per Dwelling Unit in the City of Sycamore.

Dr. David Emanuelson is the principal with the consulting firm Strategic Management Alliance, LLC of DeKalb, Illinois. One recent focus of the company's research has been the analysis of the fiscal impacts of growth and the related analysis of fiscal instruments such as development exactions to offset such impacts. As municipal and school officials have long been aware, one of the key variables in determining the estimated school-aged population per type of dwelling unit has been the 1996 Table of Estimated Population per Dwelling Unit created by the Illinois School Consulting Service (ISCS) in 1996. This table has not been updated for ten years.

Dr. Emanuelson presented the attached study at a forum organized by the DeKalb County Economic Development Corporation at the DeKalb County Farm Bureau on March 28. The research question Dr. Emanuelson considered is: "does the 1996 ISCS Table of Estimated Ultimate Population predict new home occupancies in Sycamore and DeKalb County in 2006?"

Dr. Emanuelson relied upon two key sources of data for the study. One was a survey conducted by his firm and the NIU Public Opinion Laboratory in December 2005 of 500 randomly selected homes from over 5,000 housing units (including single-family detached homes and attached condos, townhouses and apartments) built in DeKalb County since the 2000 Census. The other was the occupancy data collected by the City of Sycamore's Building Department during 2004 and 2005 and compiled with the assistance of the City's MPA intern, Ryan Kelly. Since the 1996 ISCS Table has been integral to the calculation of developmental exactions in DeKalb County, a review of the 1996 ISCS Table and its relevance to local circumstances was overdue.

Dr. Emanuelson will present his study and its findings to the City Council. As he was completing his research several months ago, the City Manager asked him to specifically weigh the relevance of the ISCS Table in relation to the City of Sycamore's housing occupancy data. The study was revised to reflect the integration of Sycamore's data. Essentially, his findings as they relate to Sycamore are as follows:

- Sycamore has developed some unique demographics in the past five years that differ from conventional metropolitan data in northern Illinois and the wider DeKalb County experience.
- Of all units built in Sycamore in 2004-2005, 67.6% generated no children. Of the attached multifamily occupancies in this period, 92.4% had no

children; of the detached housing units 50.1% had no children. A key factor regarding the townhouse occupancy levels is that only 6% of the new townhouses had more than two bedrooms, unlike the ISCS expectation that 25% would have more than two bedrooms (see pp. 21-22; 26).

- Regarding the new detached housing in Sycamore in 2004-2005, more three-bedroom units have been built than the conventional metropolitan wisdom (53.3% vs. 25%), but fewer four-bedroom homes (53.3% vs. 70%). See page 26 of the study.
- The number of adults within Sycamore's housing types should be surveyed to gain more insight into the proportion of empty-nesters, etc. Sycamore's occupancy survey did not ask about the adult population until January 2006 (pp. 26, 30).

What are the policy implications of these conclusions?

- ✓ Sycamore should consider developing its own table for predicting the ultimate population of new dwelling units based on its growing pool of data. Before doing so, it would be useful to assess the forthcoming special census results to compare sets of data.
- ✓ As the author states in his introduction (p. 5), social science research of this type has a short shelf life and any alternative model should be continually refreshed with new data. As an illustration of this point, Sycamore's growth control policies and permit regulations have given us the opportunity to estimate the comparative number of future detached and attached housing units over the next 5-10 years, as the attached residential timeline indicates. According to the timeline, the relative proportion of attached and detached housing may well be inverted over the next few years bringing a higher number of school-aged children. Please see the attached line graphs.

No Council action is necessary at this time. Dr. Emanuelson's work reminds us that growth management requires thoughtful analysis based on hard data. His study will no doubt prompt further, ongoing assessment and debate within DeKalb County's communities.

B. Consideration of an Administration Request for a Closed Session to Discuss Personnel Matters and Collective Bargaining.

14. APPOINTMENTS

15. ADJOURNMENT