

SYCAMORE CITY COUNCIL
AGENDA
December 18, 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 December 4, 2006.
 - B. Payment of the Bills for December 18, 2006.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. Introduction of new career firefighter Erik Carlson.
 - B. Proclamation declaring December 2006 as Drunk and Drugged (3D) Prevention Month in the City of Sycamore.
 - C. Proclamation honoring Joe Bussone for his outstanding voluntary service to the community of Sycamore, on the occasion of his eightieth birthday.
8. **REPORTS OF OFFICERS**
9. **REPORTS OF STANDING COMMITTEES**

10. PUBLIC HEARINGS--None

11. ORDINANCES

A. Ordinance No. 2006.51—An Ordinance Levying Taxes for the Corporate Purposes of the City of Sycamore for the Fiscal Year Commencing May 1, 2007 and Ending April 30, 2008. Second Reading.

The City Council conducted a public hearing on the proposed corporate levy on December 4, 2006 and considered the attached ordinance on first reading. The proposed corporate levy of **\$3,116,031** includes a City levy of \$2,401,957 (+\$69,960 or 3%) and a Sycamore Library levy of \$714,074 (+\$52,894 or 8%). The proposed corporate levy will be \$122,854 (4.1%) higher than the 2005 corporate levy of \$2,993,177. Assuming a city-wide EAV of \$346,450,000 in 2006, the corporate tax rate should be \$0.89942 per \$100 EAV, a *decrease* of 7.1% from the 2005 corporate rate of \$0.96765 per \$100 EAV.

City Council approval is recommended.

B. Ordinance No. 2006.52—An Ordinance Abating the Debt Service Levy for the 2002 General Obligation Bond Issue for the City of Sycamore, DeKalb County, Illinois for Fiscal Year 2007-2008. Second Reading.

The City Council considered this ordinance on first reading on December 4. According to the ordinance, all of the debt service (\$302,840.00) on the 2002 Bond Series will be abated. This means that the City will continue its policy of paying the greatest share of its annual general obligation bond debt service from general revenues other than property taxes.

The attached ordinance will levy \$302,840 and abate \$302,840.00, so the extension will be \$0.00. The debt service will be paid by the 2002 Bond Proceeds Fund (Fund 24) which gets its primary revenue from General Fund and Capital Fund (Fund 6) transfers.

City Council approval is recommended.

C. Ordinance No. 2006.53—An Ordinance Abating the Debt Service Levy for the 2003 General Obligation Bond Issue for the City of Sycamore, DeKalb County, Illinois for Fiscal Year 2007-2008. Second Reading.

This ordinance was also considered on first reading on December 4. It concerns the debt service on the General Obligation Bond Series 2003, issued in September 2003. The levy of \$148,717.50 will be abated in its entirety. The debt service will be paid from the 2003 Bond Fund (Fund 26) which receives its primary revenue from Capital Fund, MFT Fund and 1999 Bond Fund transfers.

City Council approval is recommended.

D. Ordinance No. 2006.54—An Ordinance Abating the Debt Service Levy for the 2005 Refunding Bond Issue for the City of Sycamore, DeKalb County, Illinois for Fiscal Year 2007-2008. Second Reading.

This ordinance was considered on first reading on December 4 as well. It would abate the debt service on the 2005 refunding bond that refinanced the outstanding 1999 bond series at a lower interest rate. All of the 1999 bond series that remained outstanding at the time of the issuance of the \$2,965,000 2005 G.O. Bond were redeemed in June 2005. The debt service obligation for FY2007-2008 is \$428,968.75. The levy is \$155,000 and the abatement is \$273,968.75. The debt service will be paid from the 2005 Bond Fund (Fund 19) which gets its revenue from transfers from the General Fund, the Water Fund, the Sewer Fund, the Motor Fuel Tax Fund, and the Road & Bridge Fund.

City Council approval is recommended.

E. Ordinance No. 2006.55—An Ordinance Partially Abating Certain Real Estate Revenue Due to the City of Sycamore for Property Owned by Tate & Lyle in the City of Sycamore, DeKalb County, Illinois for Fiscal Year 2007-2008. Second Reading.

This is the first year of a three-year property tax abatement commitment extended to Tate & Lyle (formerly CCI), located at 1631 S. Prairie Drive in the Sycamore Prairie Business Park. The City Council approved its abatement package on December 15, 2003 (Resolution No. 443), which called for the abatement of 80% of the firm’s property tax obligation to the City of Sycamore in the first full assessment year, 70% in the second year of full assessment, and 50% in the third year. The City’s abatement is part of a larger incentive combining property tax abatements from all other local taxing bodies, as illustrated below:

CCI/Tate & Lyle				
	First Full Assessment Year (2006)	Second Full Assessment Year (2007)	Third Full Assessment Year (2008)	Fourth Full Assessment Year (2009)
School District		80%	70%	50%
DeKalb County	80%	70%	50%	
City of Sycamore	80%	70%	50%	
Kishwaukee College	90%	75%		
Park District	80%	70%	50%	
Cortland Township	80%	70%	50%	
Sycamore Library	80%	70%	50%	

The Tate & Lyle assessment values in 2005 and 2006 are shown below:

Tate & Lyle		Land	Building	New Construction	EAV Total
	2005	\$149,262	\$1,003,818	\$0.00	\$1,153,080
	2006	\$149,262	\$1,246,043	\$242,225	\$1,395,305

Based on an EAV of \$1,395,305 for the Tate & Lyle parcel (#09-06-427-011) in 2006, the City’s Year One abatement is estimated to be \$7,739.03.

A first reading of the attached ordinance was heard on December 4. City Council approval is recommended.

F. Ordinance No. 2006.56—An Ordinance Partially Abating Certain Real Estate Revenue Due to the City of Sycamore for Property Owned by Fullco Industries in the City of Sycamore, DeKalb County, Illinois for Fiscal Year 2007-2008. Second Reading.

This is also the first year of a three-year property tax abatement incentive extended to Fullco Industries located at 1551 S. Prairie Drive in the Sycamore Prairie Business Park. The City Council approved its abatement package on March 7, 2005 (Ordinance 2004.74), which called for the abatement of 90% of the firm’s property tax obligation to the City of Sycamore in the first full assessment year, 75% in the second year of full assessment, and 50% in the third year. The City’s abatement is part of a larger incentive combining property tax abatements from all other local taxing bodies, as illustrated below:

Fullco Industries				
	First Full Assessment Year (2006)	Second Full Assessment Year (2007)	Third Full Assessment Year (2008)	Fourth Full Assessment Year (2009)
School District		90%	75%	
DeKalb County	90%	75%	50%	
City of Sycamore	90%	75%	50%	
Kishwaukee College	90%	75%		
Park District	90%	75%	50%	
Cortland Township	90%	75%	50%	
Sycamore Library	90%	75%	50%	

The Fullco assessment values in 2005 and 2006 are shown below:

Fullco Industries	2005	2006	2007	2008	2009
		\$29,439	\$253,133	\$0.00	\$282,572
		\$29,439	\$543,342	\$290,209	\$572,781

Based on an EAV of \$572,781 for the Fullco parcel (#09-05-301-001) in 2006, the City’s Year One abatement is estimated to be \$3,574.00.

A first reading of the attached ordinance was heard on December 4. City Council approval is recommended.

12. RESOLUTIONS--None

13. CONSIDERATIONS

A. Consideration of a Three-Dimensional Marketing Video Prepared by Larson & Darby of Rockford, Illinois.

The City Manager will present of a three-dimensional marketing video that the City will be using to promote the Sycamore Prairie Business Park and the Bethany Road corridor. The video was prepared by representatives of the architectural firm of Larson & Darby, of Rockford, Illinois. The authors are Ged Trias, Joe Winkelmann and John Saunders. The Council will see a video that is rudimentary in its detail, but is a template from which more detail can be built, either in terms of the business park or surrounding undeveloped parcels in the vicinity of Bethany Road and Peace Road. A shorter version of this video will be

imported into the City's web site, and a more detailed version will be produced as new funds become available in FY08. The cost of the 3D CAD video model that will be presented was \$9,000 and was funded by the Sales Tax Distributive Fund (22-8331).

B. Consideration of an Administration Request for Direction Regarding a Proposal by the Alliance for Land, Agriculture, and Water ("A-LAW") to Create a Water Authority Comprising DeKalb, Boone, and McHenry Counties.

During the week of Thanksgiving, local media accounts introduced most DeKalb County residents and businesses to the efforts of a McHenry County-based coalition to control access to ground water in McHenry, Boone, and DeKalb counties. The group, A-LAW (Alliance for Land, Agriculture and Water), was initially organized in early 2006 in Woodstock, Illinois. According to its own press release, A-LAW came together to fight against adoption of a draft 2020 comprehensive plan under consideration by the McHenry County Board. Dissatisfied with the comprehensive plan's support for managed growth, a number of activists and attorneys searched for a vehicle to stop growth through control of access to ground water outside of established local governmental bodies. A-LAW discovered state statutory authority for such control in 70 ILCS 3715, the Water Authorities Act. A-LAW now proposes to establish a regional water authority beyond the boundaries of McHenry County that will impact commercial, industrial, and residential growth inside DeKalb County.

Specifically, A-LAW proposes to submit a referendum to voters in DeKalb County, Boone County, and McHenry County in April, 2007. A hearing required by state law will be held at the DeKalb County Courthouse on December 21, with Judge Kurt Klein presiding. The purpose of the hearing is to provide an opportunity for persons residing within the proposed water authority's boundaries to comment upon the proposed referendum, and make suggestions to amend or dismiss A-LAW's petition.

Some facts regarding the unique political features of water authorities in general, and the unique proposition supported by A-LAW, are presented below:

a) Water Authorities in State Law.

- If approved by referendum, a water authority comprising more than one county will be governed by a board of three trustees. One trustee will be appointed from each county by the county board chair with the advice and consent of the county board (Section 3, 70 ILCS 3715).
- Such board of trustees will organize itself by selecting one of its number as chairman and one as secretary (Section 4, 70 ILCS 3715).
- The authority's board of trustees shall have the authority to levy and collect a general property tax on all of the taxable property within the limits of the authority. The aggregate amount of the tax for one year, exclusive of the amount levied for bonded indebtedness, may not exceed .08 per cent of the equalized assessed valuation of the authority's area, or .08 cents per \$100 EAV (Section 6, 70 ILCS 3715).

- The authority may use its taxing power to create a staff including clerks, administrators, attorneys, engineers, and police to enforce the provisions it may adopt (Section 4, 70 ILCS 3715).
- The trustee powers include well inspections, registration and permits (Section 6, 70 ILCS 3715).
- The trustees may also arrest, with or without process, anyone who is found violating any of its ordinances. A warrant for the arrest of an accused person may be issued simply upon the affidavit of any person that an ordinance of the authority has been violated (Sections 15 & 16, 70 ILCS 3715).
- The authority may annex new territory into its area. A written petition requesting such annexation and signed by a majority of the owners of record in such adjoining territory is filed with the court in which the authority was created. A public hearing is held, and if the court finds that the petition is signed by the proper number of landowners and “there is no valid objection to such annexation” it shall enter an order annexing such territory (Section 9, 70 ILCS 3751).
- The trustees may take property by eminent domain, acquire easements and rights-of-way, and regulate or prohibit boating, fishing, swimming and other sporting activities within their authority (Sections 6.5, 18 & 27, 70 ILCS 3715).
- The authority may issue general obligation bonds. The aggregate principal amount at any one time outstanding shall not exceed .5% of the equalized assessed value of the authority’s jurisdiction (Section 6, 70 ILCS 3715). The authority may also issue revenue bonds for the construction of “water works,” sewage systems and related facilities, to be funded by user fees (Sections 6 & 10, 70 ILCS 3715).
- An authority can make any regulation it deems necessary “to protect public health, welfare and safety and to prevent pollution of its water supply” (Section 24, 70 ILCS 3715).
- The authority does not have purview over water used for agricultural purposes, farm irrigation, or water used for domestic purposes where no greater than 4 families are served by the same well (Section 8, 70 ILCS 3751).
- Once created, there is no statutory provision for the dissolution of a water authority.

b). The Proposed Kishwaukee Valley Water Authority.

- The proposed KVWA would encompass a major portion of the Kishwaukee watershed, which runs from southern Wisconsin in a south by southwest direction through McHenry, Boone, DeKalb, Ogle and Lee counties (see the attached watershed map from the Illinois State Water Survey).
- The proposed KVWA includes all of DeKalb County except the territory within the present municipal boundaries of Sycamore and DeKalb. The proposed KVWA also excludes the present municipal boundaries of Belvidere (Boone County), Woodstock, Harvard, Marengo, Crystal Lake, Lakewood and Wonder Lake (McHenry County). The attached map is taken from a KVWA press release.
- DeKalb County officials estimate that according to A-LAW’s proposition, only 20% of the registered voters within the three subject counties would be permitted to comment upon the proposed KVWA at the December 21 hearing, or vote on the proposed KVWA in April 2007 by virtue of the exclusions noted above. The approximate breakdown is as follows:

Jurisdiction	Total Registered Voters	# Permitted to Vote on Referendum
McHenry County	186,323	18,107
Boone County	20,733	8,768
DeKalb County	54,766	25,352
Total	261,822	52,227 (20%)

- A-LAW has proposed a starting budget of \$675,000 in the initial year.
- A-LAW organizers have not produced any recent scientific data that establishes a water shortage, or impending water shortage, in DeKalb County. The most recent authoritative assessment of water level trends in deep bedrock aquifers in northern Illinois including the major pumping centers in DeKalb County was published by the Illinois Water Survey in 1997. The next report is expected in 2009-2010. The 1997 report focuses on the Chicago collar counties where pumping from deep bedrock aquifers dramatically increased from the 1950s, when detailed record-keeping began, to 1980. The report also notes that pumpage in the Chicago area significantly declined from the early 1980s as municipal authorities in Cook, DuPage and Lake counties shifted to Lake Michigan water and Kane County shifted to the Fox River. As a result, levels in deep wells in most of the Chicago region rose sharply in the early 1990s. The scientific basis of A-LAW's concern is not clear, but it appears to be based on estimates of the differing water levels in eastern McHenry County and western McHenry County, where water resources are more abundant.

Comment

The administrative and legal staffs of DeKalb County, the City of DeKalb and the City of Sycamore have met to discuss the proposed KVAW in the past week. The general areas of concern fall into the categories of governance and hard science. The key questions raised in this staff-level discussion are noted below:

- What is broken? As noted above, there is only speculation about water levels outside of McHenry County, based on the spurious assumption that if more pumping is going on, then aquifer levels in DeKalb County must be dropping. The A-LAW assumption is at best a hypothesis, without current and authoritative findings. With over 90% of the county's land in agricultural production or open space, it is possible that underground water levels in the county are re-charged each year. This is also an unproven hypothesis, however. The City of Sycamore recently drilled a deep well (Well #9) and its consulting engineer did not indicate that the projected pumping volume would deleteriously affect water levels in our area. Nevertheless, we should not be complacent, and we should recognize that Sycamore is served by a regional aquifer affected by our pumping and others. At the joint request of officials from Sycamore, DeKalb, and DeKalb County, the DeKalb County Planning Commission which represents all county municipalities will consider options for scientifically investigating county-wide water levels at its February meeting.
- Is the proposed Water Authority fair to all concerned? This question has legal, constitutional and substantive aspects. Legally speaking, residents of the key

population areas in the three counties would not have a vote on the proposed referendum, although the future growth of these areas would be controlled in significant respects by the proposed authority. This is not an accidental proposition. The organizers of the referendum effort have clearly aimed to reduce potential opposition. As noted above, only 20% of the population of the affected counties would have a vote regarding the authority.

Constitutionally speaking, have local and county authorities failed to heed known and proven dangers to the public health after repeated entreaties and to the point that a new system of governance is necessary—and with taxing powers to boot? The answer, in DeKalb County, is no. In their press to force a referendum, A-LAW does not contend that DeKalb County authorities or DeKalb County municipalities have been irresponsible in their growth policies or planning. In fact, in our consultation with leaders of the movement, it does not appear that they are well-versed in the comprehensive plans, growth management regulations, or developmental exactions of our county's municipalities or county government.

Finally, one must anticipate the substantive economic impact of the proposed authority. In Sycamore's case, it is likely that the next new well, such as the well proposed for the northeast quadrant (on Whipple Road), will be built within our current corporate limits. In addition, Sycamore's comprehensive plan limits further outward growth in most of the area within the mile-and-a-half planning authority established by state statute. However, what if several large industrial users create the need for a new well south of Bethany Road and east of Peace Road? This land is largely un-annexed, and would fall within the proposed authority's purview. Shall we count on the understanding and reasonableness of persons whom we did not elect to judge whether such additional pumpage is in our best interest?

Recommendation

The City Manager has two recommendations:

- ❖ That we ask the court to modify the proposed water authority boundaries to exclude DeKalb County. This would allow most of the residents of DeKalb County the self-determination to investigate water levels and address them with our passions, our dedication, and—hopefully—good science at our back;
- ❖ That, if we fail to convince the court that DeKalb County should be excluded from the proposed authority, we petition the court to allow all of our citizens to be given the chance of forming such a district, or not. This means allowing the most populous areas of the county (DeKalb and Sycamore) to vote.

City Council direction is requested.

14. OTHER NEW BUSINESS

15. APPOINTMENTS

16. ADJOURNMENT