
SYCAMORE CITY COUNCIL – REGULAR MEETING
MINUTES OF JANUARY 16, 2006

ROLL CALL

Mayor Ken Mundy called the meeting to order and Clerk Candy Smith called the roll. Those Alderpersons present were: Grace Adee, Alan Bauer, Terry Kessler, Darren Knuth, Barbara Leach, Cheryl Maness, Pete Paulsen, and Chuck Stowe.

INVOCATION

Pastor Steve Perrson of the First Baptist Church gave the invocation.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

Motion

Alderperson Maness moved to approve the agenda and Alderperson Bauer seconded the motion.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. All Alderpersons voted aye. Motion carried 8 - 0.

AUDIENCE TO VISITORS

Mayor Mundy welcomed Boy Scout Troop 16 to the meeting.

Cathy Lampkins, 13941 North Grove Rd, said after the last meeting she spoke with John Pappas regarding the Primm Prairie Subdivision and he is working hard to be a good neighbor. He has agreed to work with their concerns by moving the detention pond, moving a street, saving fences and one-hundred-year-old trees, shifting North Grove Road to the south, and eliminating curbs stopping in the middle of front yards.

Christel Springmire, 13941 North Grove Rd., said Mr. Pappas has listened to and addressed their concerns. She said if Council is inclined to vote for housing in that area, she encourages them to vote for this one.

Peter Springmire, 13941 North Grove Rd., thanked Mr. Pappas for his cooperation and said this subdivision would be a blessing to the existing neighbors.

Carolyn Watson, 1863 Kerrybrook Ct., expressed concern about the school-aged children the Whitwell and Primm farms would bring to the schools. She said it did not make sense to her that no children live in homes with less than 3 bedrooms. She was distraught over the loss of the farmland. She said we need industry and commercial retail, but not a glut of storefronts that are not occupied. She was appalled that First Rockford Group would put up 3 300-square-foot signs. She asked that they only deal with First Rockford on first reading.

Joyce Smith, 1315 Kennicot Ct., said the City does not need more homes. She said there should be no more annexations at this time; the City should be working to get good commercial interests to help with the tax situation. She asked why the City spent money to have the fiscal impact study done when they are not paying attention to it. She asked Council to listen to the people and just say no.

Mike Liszka, 470 Lincolnshire Dr., asked for better explanation of the incentive agreement with First Rockford Group. He said it looked like the City would not see the full benefit for 10 years. He asked if the housing

would pay the \$3,000 voluntary contribution and if there would be any parks. He asked Council to delay their vote.

CONSENT AGENDA

- A. Approval of the Minutes for the Regular City Council Meeting of January 3, 2006.
- B. Payment of the Bills for January 16, 2003 in the amount of \$3,295,838.61.
- C. Plan Commission Minutes for the Meeting of December 12, 2005.

Motion

Aldersperson Bauer moved to approve the Consent Agenda and Aldersperson Maness seconded the motion.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. All Alderspersons voted aye. Motion carried 8 - 0.

PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.

Aldersperson Kessler said Martin Luther King Day is a day to reflect on the civil liberties and rights we have and to celebrate our differences.

REPORT OF OFFICERS

Manager – Bill Nicklas said at the Council desks are updated building permit timelines and Intern Ryan Kelly's updated building permit survey. He said also provided was a First Rockford Group annexation agreement revising screenage uses.

Engineer – John Brady reported that Reston Ponds Unit 3 will begin next month and Cloverlane should be extended to Turner Place by late summer.

Building & Zoning – Lyle Doty asked for support for Ordinance 2005.84 a change in the electric code regarding grounding to water service. He said Sycamore Café will get permitting for its location across from Culver's.

Fire Chief – Bill Riddle reported that Kishwaukee Community Hospital awarded stork pins to 3 firefighters who helped deliver a baby at White Hen Pantry parking lot. He also reported that the Department has completed an alternate productive duty standard operating procedure.

Treasurer/Asst. City Manager – Brian Gregory reported that the special census field work should be wrapped up by the end of January.

Public Works Supt. – Fred Busse reported that the light at Plaza Drive has a bad mercury switch relay and because it has reverse logic they are waiting for a part. He said they will order an extra for backup. He also acknowledged that Brad Dewey has earned his collection system operator certificate.

Water Supt. – Ebe Smith reported that Well #9 is running well. He said he and Engineer Brady are finalizing plans for radium removal plants and construction should start in about 3 months.

Police Chief – Don Thomas said he would have a year-end report and introduce 2 new officers at the next meeting. He also asked for support for a consideration on the agenda.

REPORT OF STANDING COMMITTEES

Finance – no report
Ordinance –no report
Police & Fire – no report
Sewer & Water – no report
Streets & Walks – no report

PUBLIC HEARING

A. Public Hearing on the Proposed Annexation of the Artery Farm, a 82.148-Acre Property Located at the Northwest Corner of Peace Road and Illinois Route 23.

Joe Bussone, 1725 Brock Cir., asked Jeff Marsh of First Rockford Group the maximum height of any building in the commercial development.

Jeff Marsh said they are not asking for any variances for building height.

Joe Bussone asked if First Rockford Group could work the lighting so Grandview Townhomes would not experience glare.

Mr. Marsh said the lighting has not yet been studied and they are not asking for any relief from any ordinance, but they cannot guarantee no glare.

Joe Bussone said this development is in his back yard, but he is not objecting to it because it is good for Sycamore. He said he has had a positive experience working with Bill Nicklas, John Brady, and developer Jeff Marsh on the establishment of a buffer zone between the two properties. He said the developer is also willing to extend the fence between the two residential properties which is above and beyond City ordinance. He said that issuing building permits for the residential before 2010 is logical as a necessity for upfront funding for this multi-million dollar project.

Upon hearing no further public comment, Mayor Mundy closed the hearing.

ORDINANCES

A. Ordinance No. 2005.69—An Ordinance Concerning the Recommendation of the Plan Commission Regarding the Petition of Margaret and Jack Whitwell and Whitwell Farms, LLC for an Annexation Agreement, Annexation and Rezoning to “R-1” One Family Residence District for a Planned Unit Development on a 261-Acre Property Located on Both Sides of Lindgren Road, Approximately One Mile East of Plank Road, in the City of Sycamore, Illinois. Second Reading.

Chuck Hanlon, Land Vision, 116 W. Main St., St. Charles, pointed out that this development is at the extreme eastern portion of the Comprehensive Plan. He said they are proposing lower density with larger lots than the adjacent developments. He said the developers build custom to semi-custom homes in the \$500,000 to \$600,000 price range which will likely sell at a slower pace than \$300,000 homes. He said they are

proposing 381 lots on 261 acres with a neighborhood park and trail systems to link with the park and adjacent developments.

Alderson Knuth stated that the School District has gone to a neutral position as opposed to their positive position for the previous B & B Development. He said this proposal offers nothing except children for schools. He quoted the fiscal impact study "it is generally acknowledged that most residential development does not pay its way in respect to public service costs." He said that study is being ignored and he thinks the numbers would change in 2010. He said by the telephone calls he has received, he sees an issue of public trust and those he spoke with do not feel they are being heard. He said he does not think that growth is inevitable.

Alderson Kessler said she received 6 voicemails supporting what Council is doing with the pacing mechanism in place and school contributions. She said she received 1 message for no new development. She said she thought the Council was being responsible with the pacing mechanism, voluntary contributions and the proposed real estate transfer tax.

Jack Whitwell, 16037 Lindgren Rd., said this plan was overwhelmingly passed by the Plan Commission in December as well as the School Board.

Alderson Paulsen asked if there was any assurance that the homes would be over \$500,000 and it would not be flipped to somebody who would build \$250,000 homes.

John Cebrynski, John Henry Homes, one of the developers of this farm, said he has been working with the Whitwell's since 2002 and feels the larger lots will command a larger price. He said they have worked hard, listened, shown patience, and want to be part of this community. He said Sycamore has set up their growth ordinance and they are willing to follow that plan.

Motion

Alderson Kessler moved to approve Ordinance 2005.69 and Alderson Maness seconded the motion.

Roll Voice Vote

Mayor Mundy called for a roll call vote to approve the motion. Aldersons Kessler, Maness, Paulsen, Stowe, Bauer, and Mayor Mundy voted aye. Aldersons Knuth, Leach, and Adey voted nay. Motion carried 6 - 3.

B. G. Ordinance No. 2005-70—An Ordinance Annexing the 261-Acre Property Located on Both Sides of Lindgren Road, Approximately One Mile East of Plank Road, in the City of Sycamore, Illinois. Second Reading.

Motion

Alderson Maness moved to approve Ordinance 2005.70 and Alderson Stowe seconded the motion.

Roll Voice Vote

Mayor Mundy called for a roll call vote to approve the motion. Aldersons Kessler, Knuth, Leach, Maness, Paulsen, Stowe, Bauer, and Mayor Mundy voted aye. Alderson Adey voted nay. Motion carried 8 - 1.

C. Ordinance No. 2005.71--An Ordinance Concerning the Recommendation of the Plan Commission Regarding the Petition of Charles and Betty Primm and John Pappas for an Annexation Agreement, Annexation and Rezoning to "R-1" One Family Residence District and "C-3" Highway Business District for a Planned Unit Development on a 99-Acre Property Located West of Illinois Route 23 and South of North Grove Road in the City of Sycamore, Illinois. Second Reading.

Manager Nicklas referred to the remarks of those in the audience who also have a vested interest in the property south of North Grove Road and to the revised annexation agreement in the packets that refer to the changes made in keeping with the understanding reached with Mr. Pappas and the neighbors. He said the preliminary plan has also been revised but does not yet reflect the bike path change.

Mark Gephart, Wendler Engineering, pointed out the changes as: moving Lakeview Drive east, increasing the curve on North Grove Road, moving North Grove Road south, and planting trees to block headlights across North Grove Road.

Aldersperson Stowe commended everyone involved for working together to resolve concerns.

Aldersperson Leach asked Mr. Pappas if he was going to develop the residential himself.

John Pappas, 3 Fairway Cir., DeKalb, said he would be developing the residential.

Aldersperson Adee asked the cost of the homes.

Mr. Pappas said the range would be \$450,000 to \$500,000.

Motion

Aldersperson Maness moved to approve Ordinance 2005.71 and Aldersperson Kessler seconded the motion.

Roll Voice Vote

Mayor Mundy called for a roll call vote to approve the motion. Alderspersons Kessler, Maness, Paulsen, Stowe, Bauer, and Mayor Mundy voted aye. Alderspersons Knuth, Leach, and Adee voted nay. Motion carried 6 - 3.

D. Ordinance No. 2005.72—An Ordinance Annexing the 99-Acre Property Located West of Illinois Route 23 and South of North Grove Road in the City of Sycamore, Illinois. Second Reading.

Motion

Aldersperson Maness moved to approve Ordinance 2005.72 and Aldersperson Stowe seconded the motion.

Roll Voice Vote

Mayor Mundy called for a roll call vote to approve the motion. Alderspersons Kessler, Knuth, Leach, Maness, Paulsen, Stowe, Bauer, and Mayor Mundy voted aye. Aldersperson Adee voted nay. Motion carried 8 - 1.

Aldersperson Paulsen asked for a map of the northern region showing all the annexations and the remaining sewer capacity available.

E. Ordinance No. 2005.79—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition from First Rockford Group and the National Bank & Trust Company, Trust No. 40-465200 for an Annexation Agreement, Annexation and Rezoning to “C-3” Highway Business District Planned Unit Development and “R-2” Two Family Residence District Planned Unit Development for a 82.148-Acre Property Located at the Northwest Corner of Peace Road and Illinois Route 23. First and Second Reading.

Jeff Marsh, First Rockford Group, said they are proposing 450,000 square feet of retail space on 62 acres and 46 2-family lots. He said there would be 3 accesses to the property from Peace Road. He said they are mindful of the shared property line with Grandview Townhomes as well as of the City’s requirement for

perimeter landscaping between commercial and residential property. He said the berm will be constructed 4 feet above the property line along with a wood fence and trees. He said they have agreed to extend the fence to the west property line. Mr. Marsh said because proper signage is critical for retail success, they are asking for sign variances to allow 3 300-square-foot pylon signs, more square footage for wall signs, and additional and larger out lot signs. He said this is the largest, most costly retail development ever proposed in Sycamore and should serve to stimulate the local economic and commercial activity and enhance and broaden the local tax base. He said the economic incentive agreement provides for the sharing of retail sales tax revenue and the developer's portion shall be used for the construction of public infrastructure and tied to the value of the off-site improvements. He said it is a 10-year agreement commencing upon the opening and operating of 50,000 square feet of retail space. The developer will receive no distributions for years 1 and 2, years 3 to 6 the developer will receive a 50% share and years 7 – 10 they will receive 40%. He said this project requires a long commitment for the City and the developer and will cost the developer \$7.6 million dollars. They are asking for relief from 4.4.2F of the UDO to be able to build the residential portion to help defer some of the costs.

Alderson Leach asked if they would sell the lot for the buyer to build or would First Rockford Group build the buildings.

Mr. Marsh said it would be a combination of practices. He said they envision a bank and a restaurant and a multi-tenant retail building.

Alderson Stowe asked if there would be sidewalk along Peace Road.

Mr. Marsh said he thought there was a bike path proposed on Peace Road.

City Manager Nicklas said the County is placing a 10-foot bike path from Route 23 and Route 64.

Alderson Bauer asked what would happen if the County decides not to do the bike path.

Mr. Nicklas said the County is widening Peace Road to four lanes from Route 23 to Route 64 this summer and a bike path is part of their plan.

Alderson Bauer asked what if the County does have enough money for the bike path.

Mr. Nicklas said they have budgeted for it.

Alderson Bauer said we are not granting any variances for sidewalks along Peace Road so if the County places a bike path, First Rockford Group just lucks out.

Mr. Nicklas said the City's code does not apply to County right-of-way.

Alderson Maness said because fiscal impact study has been brought up she asked Mr. Nicklas where this retail and the retail we have seen in the past two years would bring the numbers according to that study.

Mr. Nicklas said that study anticipated 80 more acres of commercial from 2005 to 2015. He said before 2005 ended we have achieved annexations exceeding those 80 acres, although we have not seen the development yet. He said the Pappas annexation and this development would more than double what was anticipated.

Mayor Mundy said one of the benefits of the study was the ability to have real numbers inserted into the formulas for a better picture going forward.

Aldersperson Kessler asked Mr. Nicklas to explain that the sales tax would go to the developer and not the retailers.

Mr. Nicklas said the developer intends to develop some of the property and lease for a period of time. He said without the incentive agreement, this annexation agreement will be null and void.

Mr. Nicklas said the residential portion of the property will extract impact fees and voluntary contributions, the Park District does not want a park at this location, and 95% of condos do not house children. Mr. Nicklas explained that the UDO was developed with never having experienced a commercial development of this size. He said he felt the variances requested were all in scale to what is proposed.

Aldersperson Leach asked if at any point the commercial did not sell it could resort to residential.

Mr. Nicklas said the zoning could only be changed by going back through Plan Commission and Council.

Motion

Aldersperson Kessler moved to hear Ordinance 2005.79 on first reading only and Aldersperson Knuth seconded the motion.

Aldersperson Paulsen asked if Sarah Drive to the east of the Peace Road intersection would be improved.

Mr. Marsh said only that portion that would need to connect with the intersection.

Mr. Nicklas said the east side of Sarah does not perfectly align at the common property line with the Simon property so there is a gerrymander.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. All Alderspersons voted aye. Motion carried 8 - 0.

Aldersperson Kessler said her motion was intended to waive first reading.

Reconsidered Motion

Aldersperson Bauer moved to reconsider the preceding motion and Aldersperson Knuth seconded the motion.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. All Alderspersons voted aye. Motion carried 8 - 0

Amended Motion

Aldersperson Bauer moved to amend the first motion by waiving first reading and Aldersperson Paulsen seconded the motion.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. Six Alderspersons voted aye with two Alderspersons voting nay. Motion carried 6 - 2.

Original Motion as Amended

Aldersperson Kessler moved to waive first reading and Aldersperson Knuth seconded the motion.

Roll Call Vote

Mayor Mundy called for a roll call vote to approve the motion. Alderpersons Kessler, Maness, Paulsen, and Bauer voted aye with Alderpersons Knuth, Leach, Stowe, and Adee voting nay. Motion failed 4 - 4.

F. Ordinance No. 2005.80—An Ordinance Approving an Economic Incentive Agreement Between the City of Sycamore, Illinois and First Rockford Group.

Manager Nicklas said because the previous ordinance was being heard on first reading, this should be heard on first reading as well.

Aldersperson Bauer inquired about years 1 & 2 with no monthly distribution and the next two bullets referring to the distribution to the City and the developer.

Mr. Nicklas said there would be no shared sales tax for the first 50,000 square feet of retail as well as the two years after that.

G. Ordinance No. 2005.81—An Ordinance Annexing the 82.148-Acre Property Located at the Northwest Corner of Peace Road and Illinois Route 23 in the City of Sycamore, Illinois. First and Second Reading.

Manager Nicklas recommended first reading only on this ordinance as well.

H. Ordinance No. 2005.82—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Location Finders International and Albertson's Inc. for an Amendment to the Original Annexation Agreement dated June 30, 1999 Between the City of Sycamore and B&B Development, LP, Sycamore Family Farm, LLC, Harold V. Engh, Jr., Florence D. Engh and the National Bank & Trust Company of Sycamore as Trustee under the Provisions of Trust No. 60-312400-9 to Revise the Preliminary Plat for the Commercially-Zoned Property Located at the Southwest Corner of Peace Road, Plank Road, and Illinois Route 23 in the City of Sycamore, Illinois. First and Second Reading.

Rick Skrodzki, Goldstine, Skrodzki, Russian, Nemeč, and Hoff, Ltd., 835 McClintock Dr., Burr Ridge, IL, attorney representing Albertson's and Location Finders, said they are proposing a 7-Lot subdivision. He said Lot 1 and 2 would be the 62,000 square-foot Jewel-Osco Store and a Jewel Express Convenient Store and Car Wash. He said the balance of the site, 60,000 additional square feet of commercial development, will be developed by Location Finders. He said the key is the ability to get access and they are working with DeKalb County and IDOT.

Peter Theodore, Camburas & Theodore, Ltd., 2454 E. Dempster, Des Plaines, IL, architect, said this is not a typical retail design because it far exceeds the landscaping ordinance. He said the emphasis is on longevity and setting a motif that will spur the development as it progresses. He said the building front will be 80% glass to create an aesthetic environment for the customers.

Mr. Skrodzki asked Council to waive first reading and move this forward and they would continue to work with IDOT and DeKalb County for access, which is a must for them to proceed with the development.

Motion

Aldersperson Maness moved to hear Ordinance 2005.82 on first and second reading and Aldersperson Paulsen seconded the motion.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. All Alderpersons voted aye. Motion carried 8 - 0.

Motion

Alderperson Maness moved to approve Ordinance 2005.82 and Alderperson Kessler seconded the motion.

Roll Voice Vote

Mayor Mundy called for a roll call vote to approve the motion. Alderpersons Kessler, Knuth, Leach, Maness, Paulsen, Stowe, Adee, Bauer, and Mayor Mundy voted aye. Motion carried 9 - 0.

- I. **Ordinance No. 2005.83—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of Location Finders International and Albertson’s Inc. for a Final Plat for the Commercially-Zoned Property Located at the Southwest Corner of Peace Road, Plank Road, and Illinois Route 23 in the City of Sycamore, Illinois. First and Second Reading.**

Manager Nicklas explained the final plat shows Lot 1 devoted to Jewel-Osco, Lot 2 devoted to Jewel Express, and the remaining lots to be developed by Location Finders.

Motion

Alderperson Maness moved to hear Ordinance 2005.83 on first and second reading and Alderperson Adee seconded the motion.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. All Alderpersons voted aye. Motion carried 8 - 0.

Motion

Alderperson Stowe moved to approve Ordinance 2005.83 and Alderperson Kessler seconded the motion.

Alderperson Kessler said this would be fabulous looking as an entrance to the community. She said she hoped the County heard their voices.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. All Alderpersons voted aye. Motion carried 8 - 0.

- J. **Ordinance No. 2005.84—An Ordinance Amending Title 9, “Building Regulations,” Chapter 4, “Electricity and Fire Protection,” Section 9-4-2, “Codes Adopted,” Paragraphs A and D, to Adopt Amendments to the 2002 Edition of the National Electrical Code in the City of Sycamore, Illinois. First and Second Reading.**

Building Commissioner/Zoning Officer Lyle Doty explained that this amendment allows the grounding of electric services to water services.

Motion

Alderperson Paulsen moved to hear Ordinance 2005.84 on first and second reading and Alderperson Maness seconded the motion.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. All Alderpersons voted aye. Motion carried 8 - 0.

Motion

Alderperson Paulsen moved to approve Ordinance 2005.84 and Alderperson Kessler seconded the motion.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. All Alderpersons voted aye. Motion carried 8 - 0.

RESOLUTIONS

A. Resolution No. 466—Nominating City Manager Bill Nicklas to Represent the City of Sycamore on the DeKalb County Regional Planning Commission.

Mayor Mundy said he has a letter of recommendation to reappoint City Manager Bill Nicklas ready to forward to the County with Council's approval.

Motion

Aldersperson Maness moved to approve Resolution 466 and Aldersperson Kessler seconded the motion.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. All Alderpersons voted aye. Motion carried 8 - 0.

CONSIDERATIONS

A. Consideration of a Request from Police Chief Thomas to Authorize the Advance Replacement of a Police Officer Who Will Retire Effective May 1.

Police Chief Don Thomas said that Officer Rob Rosenberg will retire May 1, 2006 and he is asking to hire a replacement officer early. He said he is 2 officer's shy and is running out of overtime dollars. Chief Thomas said the next person on the list is PTI trained and has been an officer for 2 years and he would like to get that person hired.

Motion

Aldersperson Stowe moved to authorize the early hire of a replacement officer and Aldersperson Leach seconded the motion.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. All Alderpersons voted aye. Motion carried 8 - 0.

B. Consideration of a Preliminary Administration Report on the Proposed FY2006-2007 General Fund Budget.

Manager Nicklas said he needed direction on some assumptions in order to proceed with the budget process. He listed the principal assumptions for FY07 on the revenue side as:

1. No new taxes.
2. A slight adjustment in the garbage fee to cover the 2006 Waste Management fee of \$15.08 per unit. The City currently passes along a cost of \$14.54 per unit per month.
3. As in each of the last nine years, the increase in the annual City property tax levy has been constrained to result in a decrease in the City's property tax rate. The general portion of the levy (including debt service) will be \$1,492,738 or \$21,270 less than FY05, and \$12,655 less than the general levy in 1999, owing to substantial increases in pension obligations over recent years. The pension obligations in FY07 will comprise 35% of the City's 2005 tax levy.
4. The local share of state income tax proceeds is expected to rise to about \$80.00 per capita, an increase of 4% over the FY05 budget level of \$76.96 per capita, but the major factor in the projected 22% increase in this revenue category will be the projected City census of about

- 14,500. This assumes that the state legislature does not change the formula for this important revenue-sharing program in the Spring legislative session.
5. The former Kmart building and shopping center is not expected to generate measurable sales tax revenue in FY07. The First Rockford Group's development of the Sycamore Commons subdivision (the Artery Farm) will not generate new retail sales tax for several years.
 6. Based on year-to-date trends and a month-by-month comparison with the past three fiscal years, our overall sales and use tax revenues are projected to rise by about \$264,475 (6.2%) over FY06 budgeted levels. This amount represents about 57% of the projected increase (\$463,380) in General Fund revenues in FY07 over budgeted FY06 revenues.
 7. Annexation fees will increase by an estimated \$35,000.00, not because of new annexations so much as final plat approvals expected for later phases of already-approved subdivisions. The projected FY07 annexation fee revenue of \$100,000 will be \$395,509 lower than the actual revenues in FY04.
 8. Engineering plan review and building inspection fees will roughly match the budgeted total for FY06.
 9. The total of all new General Fund dollars is projected to be \$463,380 (+4.7%) over the FY06 General Fund budget of \$9,846,808.

Mr. Nicklas listed the principal spending assumptions for the General Fund in FY07 as follows:

- a) Health insurance costs in the general Fund alone will increase by 10% and worker comp costs will increase a little more than 10%. The City will also pay a one-time cost of \$50,000 to buy down a SLEP obligation from the mid-1990s.
- b) The street maintenance allocation in the Public Works budget (731-8316) will be \$100,000 with an additional \$100,000 allocation from the Capital Fund (06-8316) to maintain the annual budget of \$200,000 for crack-filling, alley repair, and minor re-surfacing projects.
- c) An additional \$100,000 will be transferred from the General Fund reserve to the Employee Benefit Assistance Fund (Fund 23) in order to fund two large payouts of accrued leave to retirees after May 1. The General Fund Reserve is the appropriate source because the reserve serves only two essential functions: to provide for accrued leave obligations of the City and to provide for emergency operations or other special, one-time capital outlays that would otherwise bear unfavorably on local taxpayers.
- d) A new police officer will be hired after May 1. This hire will constitute a net increase in shift strength;
- e) A new firefighter will be hired after May 1 and a second firefighter will be hired after December 1. With these two hires, an additional two hires would be necessary to meet the minimum staffing to support two fire stations. The remaining hires would be slated for FY08, if General Fund revenues permit.
- f) An executive secretary to serve the Administration department and the Mayor will be hired after September 1.
- g) Wage and salary increases will incorporate union contractual increases and management pay increases of about 4 percent;
- h) An additional \$10,000 would be added to the Mayor/Council budget for possible grant support to local museums, increases for VAC and DCEDC, or other purposes which have been suggested by local not-for-profits in recent years. As in the past, such grant monies should be tied to measurable benefits for the organization and the community.
- i) Commodities and contractual services are generally frozen at FY05 levels, with the exception of upward revisions to meet our insurance requirements (noted in the General Fund Support budget), utility costs, etc.
- j) The City's public safety dispatch costs (710-8344) will be \$543,000.00, an increase of 7% (\$38,000).

He gave elementary assumptions regarding the Water and Sewer Funds as follows:

1. "Revenue-neutral" water fee schedule revisions will be investigated again in FY07 if the IEPA approves; that is, reductions in residential fees will be pursued if they can be offset by modest increases in commercial and industrial fees.
2. A new laborer will be hired for the Water department on or about July 1.
3. To address seasonal mowing and other maintenance functions, two part-time temporary positions for high school juniors or seniors will be created with the cooperation of the Sycamore school system. Many municipalities take this approach; while there are some advantages to the organization the greatest benefit may be realized by the young persons who have this opportunity to learn good work habits and some specific skills. One position will be funded by the Water Fund and the other by the Sewer Fund. The City Manager will work with the Public Works and Water Superintendents and AFSCME Local 3957 to work out the details.

Aldersperson Bauer said he would like to see a renewed sidewalk repair program with the emphasis on repair.

Mr. Nicklas said he would present a capital budget in February and there would be allocation for sidewalk repair. He said there is already a list of sidewalks needing repair. He said he is not proposing borrowing another General Obligation Bond for the FY07 year.

Aldersperson Kessler asked when Fire Station 2 would open its doors.

Mr. Nicklas said that is part of the capital budget as well. He said that something will be completed in 2 years. He said he is continuing hiring of firefighters and may propose the opening in FY08.

Aldersperson Kessler asked if it would be minimum staffing at each station of 3 and 3.

Mr. Nicklas said that was correct and he thought there might need to be additional promoting on the lieutenant side.

Aldersperson Kessler said she is hoping to get more than 1 new police hire next year.

APPOINTMENTS

None

ADJOURNMENT

Motion

Aldersperson Stowe moved to adjourn the meeting at 9:26 p.m. and Aldersperson Leach seconded the motion.

Voice Vote

Mayor Mundy called for a voice vote to approve the motion. All Alderspersons voted aye. Motion carried 8 - 0.

Approve:

Mayor - Ken Mundy

Attest:

City Clerk – Candy Smith