

**SYCAMORE CITY COUNCIL**

**AGENDA**

**April 16, 2007**

**CITY COUNCIL COMMITTEE MEETINGS**

**6:45 P.M. Meetings of the Finance Committee, Ordinance Committee, Sewer and Water Committee, and Streets and Walks Committee to approve minutes from FY07.**

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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 April 2, 2007.
  - B.** Payment of the Bills for April 16, 2007.
  - C.** Plan Commission Minutes for the Meeting of March 12, 2007.
- 7. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
  - A.** Proclamation Declaring April 27, 2007 Arbor Day in the City of Sycamore, Illinois.
  - B.** Proclamation Declaring May 7-13 as Public Service Recognition Week in the City of Sycamore, Illinois.
  - C.** Proclamation Declaring May 19, 2007 as Kids Day America/International.

8. **REPORTS OF OFFICERS**

9. **REPORTS OF STANDING COMMITTEES**

10. **PUBLIC HEARINGS--None**

11. **ORDINANCES**

**A. Ordinance No. 2006.74—An Ordinance Concerning the Adoption of the Combined Budget and Appropriation Ordinance for the Fiscal Year 2007-2008 in the City of Sycamore, Illinois. First and Second Reading.**

The City Council held a public hearing on the proposed FY2007-2008 Budget at the last regular Council meeting of April 2, 2007.

Spending within the FY2008 Budget totals \$47,863,964.00, inclusive of all City funds. The General Fund expenditure budget totals \$11,562,698. These expenditures are offset by \$11,588,972 in anticipated General Fund revenues. The estimated General Fund operating reserve or starting fund balance will total \$6,124,999 or 53% percent of the planned General Fund expenditures for FY2008.

The Public Works and Water departments will be merged in FY08. This consolidation will achieve more efficiency in the planning and execution of both routine and larger public works projects, as well as the inspection of infrastructure improvements in private developments. The merger will result in a Public Works department with three divisions: Street, Treatment Plant, and Water. Please see the departmental narratives for more information on this initiative.

No new taxes or fees are proposed in the General Fund budget. The proposed General Fund expenditures include the following new hires:

- a) A new police officer (after August 1).
- b) Two firefighters (one after May 1 and another after September 1). With these hires, the Fire department will be able to staff two fire stations.
- c) Two new laborers in the Public Works department: one in the Street division and one in the Treatment Plant division in the summer of 2007.

Other hiring priorities are not supportable in terms of projected revenues in FY08 but will need to be addressed in future fiscal years. These unfunded priorities include:

- ✓ A “pool” secretary for the Public Works and Building/Engineering offices.
- ✓ Two 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.
- ✓ A city planner.

Other significant General Fund expenditures include the following:

- Debt service of \$355,000 to fund the principal and interest on the 2005 refunding bond (\$155,000) and the 2002 general obligation bond (\$200,000).

- New debt service of about \$196,385.10 to fund the reconstruction of portions of a number of downtown streets including South California Street, South Main Street, and East State Street (2007 Bond Fund).
- An allocation of \$130,000 (513-8493) to pay the FY08 sales tax rebates to Sycamore Ford and Brian Bemis World Auto.
- An increase of 15% 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 several senior employees in 2007.
- A reserve transfer of \$2.15 million to the Capital Assistance Fund (Fund 6) to finance the construction of the second fire station on Frantum Road.

In FY2008 the capital and special funds are all balanced with appropriate reserves. The FY2008 Budget proposes a very ambitious three-year capital spending program totaling \$22,826,300 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 \$21,088,000 or 92% is dedicated toward the repair or enhancement of City infrastructure. The FY08 portion of this capital program totals \$11,063,800. Highlights of the FY08 capital program are listed below:

- Construction of Fire Station #2: \$2.15 million (including contingency).
- Engineering and construction plans for Water Tower #2: \$150,000.
- Engineering for Phase I of the treatment plant expansion: \$329,000.
- Phase I construction including mechanical de-watering of sludge and the installation of a new bar screen: \$5.829 million.
- Sidewalk replacement on South Main Street (in addition to the Building department's annual sidewalk replacement program): \$100,000.
- Further demolition at the Harvester Square complex: \$150,000.
- Construction of the Peace Road bikepath from Bethany Road to IL. Rt. 64, including associated storm water drainage improvements: \$275,000.
- Vehicle and equipment replacement including a replacement ambulance, two police squad replacements, a large dump truck with plow and spreader, a used bucket truck, and the replacement of pickup trucks in the Water division: \$399,800.

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) and \$100,000 from the 2003 Bond Fund proceeds. 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, 2007 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 subordinate main extensions. In FY08, a feasibility study and preliminary engineering for the new elevated water tank will be funded by the Water Impact Fee Fund. It should also be noted that the Water Fund reserve and Water Impact Fee Fund financed 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 FY08-FY10 for the planned treatment plant upgrade and expansion, which will cost approximately \$15.4 million. In FY08, 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 FY08 to reduce the present seven-tier schedule to five tiers. Such a revision would be "revenue neutral." Residential users--who 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. Such consent cannot be contemplated until the City has completed its installation of radium treatment facilities and associated well upgrades to the agency's satisfaction, and within projected costs. At this writing, the improvements at Wells 6 & 8 are about 90% of the way toward substantial completion.

City Council approval of the proposed FY2007-2008 City Budget is recommended.

**B. Ordinance No. 2006.75--An Ordinance Amending Title 1, "Administration," Chapter 10, "Personnel Rules," of the City Code of the City of Sycamore, Illinois to Authorize Non-Elective Positions in the City of Sycamore, Illinois. First and Second Reading.**

Coincident with the adoption of the fiscal year budget, the Council in effect "counts" the employees in its budget by adopting a new list of appointments. The attached ordinance accomplishes this purpose. It includes one new police officer, two new firefighters plus two lieutenant promotions to provide the level of staffing needed to open the second fire station later in the fiscal year, and two new laborers in the Public Works department. The ordinance also documents the consolidation of the Public Works and Water departments, with the promotion of the three assistant superintendents to the new management position of superintendent.

City Council approval is recommended.

**C. Ordinance No. 2006.76--An Ordinance Establishing Offices and Fixing the Compensation of Certain Appointed Officers of the City of Sycamore, County of DeKalb, State of Illinois for the Fiscal Year Commencing on the First Day of May, 2007 and Ending on the Thirtieth Day of April 2008. First and Second Reading.**

The FY2007-2008 City Budget assumes certain levels of compensation for exempt employees, which include management positions and a number of part-time positions. The attached ordinance displays these levels of compensation and related benefits. Management positions are typically compensated at or near the mid-point of the ranges for similar positions at comparable cities in our region, provided such managers have sustained satisfactory annual performance scores provided by their management supervisors. The City Manager supervises the annual performance of the department heads, the Assistant City Manager, the Human Resource Director, the Executive Secretary and the part-time ESDA coordinator. Where applicable, department heads rate the annual performance of the several other exempt employees assigned to their departments (e.g. Police lieutenants). The management salary ranges are determined by surveying comparable cities within the region, and such a survey was completed in the fall of 2006. A copy of the results of that survey is attached for the Council's review.

City Council approval is recommended.

**D. Ordinance No. 2006.77—An Ordinance Amending the Fiscal Year 2006-2007 Budget. First and Second Reading.**

At the end of each fiscal year, the Council is asked to amend a relatively few line items in the current fiscal year budget to bring its appropriations in line with actual spending in the capital and special funds. These revisions do not typically touch upon actual operating budgets.

Minor changes were made in the FY07 capital and special fund columns as the FY08 Budget document was prepared to reflect the most accurate expenditures as of the Council Finance Committee's review in mid-March. The adoption of the FY08 budget will authorize these changes.

The attached ordinance would make a few additional changes in the FY07 Budget to "clean up" the General Fund prior to the FY07 audit. The proposed changes are intended to account for higher-than-anticipated legal expenses in FY07 and the significant overtime costs associated with the South Avenue fire of March 4.

1. General Fund

- a) Increase the FY07 overtime budget of the Police Investigations program by \$4,974.87 (Line Item 713-8102). The Police department overtime associated with the South Avenue fire/crime scene from March 4 through March 7 was \$4,974.87.
- b) Increase the FY07 overtime budget of the Fire Operations program by \$12,266.36 (Line Item 721-8102). The Fire department overtime associated with the South Avenue fire/crime scene from March 4 through March 7 was \$12,266.36.
- c) Increase the FY07 Legal Services line item (701-8349) by \$14,000. The cost of legal services in FY07 was substantially higher than budget expectations primarily

because of some unforeseen legal challenges including the suit by the DeKalb County Building & Development Association against the City and the Park District, and court appearances and briefs relating to the KVWA hearings.

- d) Decrease the budgeted allocation in FY07 for worker comp and liability claims by \$31,241.23 (Line Item 513-8472). Because of the positive impact of the City’s safety program, liability and worker comp claims decreased significantly in FY07. The \$31,241.23 represents the total of the increases noted in items (a) through (c), above.

These proposed changes do not change the overall approved expenditures in the FY07 General Fund budget (\$10,344,204). City Council approval is recommended.

**E. Ordinance No. 2006.78—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Final Plat for Phase Two of the Thanks America Commercial Subdivision in the City of Sycamore, Illinois. First and Second Reading.**

At the regular meeting of the Sycamore Plan Commission on April 9, the Commission considered the attached plat which defines Lots 1-7 of the Commercial Division of the Thanks America subdivision. These lots would be zoned “M-1” Light Manufacturing District, as determined in the Plan Commission and Council votes of February concerning the revised concept plan for the Thanks America subdivision.

The Plan Commission recommended the Council’s approval of the plat by a vote of 10-0. City Council approval of the Plan Commission recommendation is requested.

**F. Ordinance No. 2006.79—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Final Plat for the Gateway Medical Subdivision. First and Second Reading.**

At its regular meeting of April 9, the Plan Commission also considered the attached plat which combines three lots into one lot to accommodate a larger clinic prospect on the new Lot One. The proposed re-subdivision would normally be handled by the plat officer, but the creation of a new water main easement is beyond the authority of the plat officer.

The Plan Commission recommended the Council’s approval of the plat by a vote of 10-0. City Council approval of the Plan Commission recommendation is requested.

**G. Ordinance No. 2006.80—An Ordinance Amending Title 6, “Motor Vehicles and Traffic,” Chapter 4, “Traffic Schedules,” Section 6-4-1, “Stop Intersections,” and Section 6-4-4, “Yield Streets,” in the City of Sycamore, Illinois. First and Second Reading.**

City Engineer John Brady has recommended the following additions to the City’s traffic control regulations to include new development areas:

Right of Way Street	Stop Street
Lindgren Road	Presidential Parkway
Lindgren Road	National Street

Bethany Road	Parkside Drive
Parkside Drive	Becker Place
Cloverlane Drive/Bailey Road	Turner Place
Freed Road	Sandcastle Drive
Bethany Road	Somerset Lane
Coltonville Road	Ridge Drive
Ward Boulevard	Baron Drive

Right of Way Street	Yield Street
Truman Street	Capitol
Parkside Drive	Independence Avenue
Mary Ann Circle	Parkside Drive
Cloverlane Drive	Greenleaf Street
Greenleaf Street	Fairway Lane
Millbridge Drive/Concord Drive	Ward Boulevard
Stratford Lane	Brandon Place/Wickford Lane

City Council approval is recommended.

**12. RESOLUTIONS**

**A. Resolution No. 489--Reallocating the City of Sycamore's Private Activity Bond Volume Cap for the Year 2007 to the Illinois Housing Development Authority for the Purpose of Issuing Mortgage Credit Certificates in the City of Sycamore, Illinois.**

At the City Council meeting of April 2, the Council recommended the ceding of the City's private activity bond authority to the Illinois Housing Development Authority to provide for a mortgage credit certificate program in the City of Sycamore in FY08. The attached resolution would formalize that transfer of bond authority.

The Illinois Housing Development Authority (IHDA) annually sponsors a mortgage credit certificate program that allows qualified first-time homebuyers to take 20% (formerly 25%) of the annual interest paid on their new mortgage as a credit against their federal income tax liability. The qualifying income levels are set each year and vary depending on the household size. This year, the upper income limit for a family of three or more in DeKalb County is \$79,120. For a household of one or two persons, the upper qualifying limit is \$68,800. The program also sets upper limits on home prices. This year, the upper limit on a new or an existing home is \$325,890.

The lending bank typically acts as the intermediary with IHDA. At the time a home is purchased, a certificate is issued to the homeowner. This certificate is filed with the homeowner's income tax to establish the credit. For example, say a buyer takes out a \$95,000 conventional market rate mortgage at 7.5%. On a 30-year fixed rate loan, the buyer would pay \$7,125 in mortgage interest in year one. With a mortgage credit certificate, the buyer can take 20% (\$1,425) off his or her yearly federal income tax obligation while maintaining a standard mortgage interest deduction for the remaining 80 percent of the annual interest obligation. This is the same as retaining \$118.75 in additional

income per month. Over the life of the loan, the buyer could realize substantial savings in terms of federal taxes.

The MCC tax credit is good for the life of the loan, so the tax saving is repeated so long as the family remains in the home. In addition to the direct benefit to the homebuyer, the program provides an incentive for local families to buy a home in Sycamore.

The mortgage credit certificate program brings no direct expense to local taxpayers and involves no staff work. IHDA and participating banks do all the paperwork, although the City may wish to assist in advertising the option. The volume cap is used exclusively by Sycamore residents for 18 months, and IHDA provides quarterly reports on the number of participating families, the average purchase price of the homes, and the amount of credits remaining.

The advantage of this program for prospective homebuyers with low to moderate household incomes is obvious. It should also be noted that a commitment of private bond authority to the IHDA program would not preclude the City from dedicating next year's volume cap to industrial revenue bonds if a worthwhile project develops.

The only downside to the mortgage credit certificate program is the limited number of families that can benefit under the City's modest cap. **In 2007, the City's "authority" will be \$85 per capita or \$1,263,610 based on a Census-based population of 14,866.** Based on the average purchase price of \$285,489 for all homes--new and used—sold in Sycamore in 2006 (Board of Realtors estimate), and an average down payment of 20%, only 6 Sycamore families might qualify. With the assistance of local lending institutions, the program can nevertheless make a significant difference for those homebuyers.

City Council approval is recommended.

**B. Resolution No. 490—Approving a Lease Agreement Between the City of Sycamore and the Bridgeport Corporation for Use of a Portion of the Harvester Square Site for Nursery Purposes.**

On September 5, 2006, the City Council approved a one-year lease—with a one-year extension option—with the Bridgeport Corporation, whose principal owners are Joel and Joan Barczac. The lease concerned a portion of the City's vacant property in the Harvester Square area where the Barczacs hoped to make room for various types of landscape material that were then clogging the alley that runs along the east side of the Barczac property and the west side of the property owned by Genoa Business Forms. The Barczacs have since moved the landscape materials to the area (see the attached plan) where several buildings were demolished in 2005. It is their intent to pave the alley in 2007.

The purpose of the attached lease is to make an additional area within the vacant, City-owned property available for the display of seasonal plants and some parking for customers. The language of the lease describes the area in question (see the attached exhibit) and holds the City harmless from liability or damage claims to person or property for any cause relating to this short-term occupancy. In a year's time, if the City has not

been able to secure IEPA closure regarding its ongoing brownfield reclamation efforts, the lease could be extended for an additional year under essentially the same terms.

City Council approval is recommended.

**C. Resolution No. 491—Providing for the Retirement of Certain Municipal Indebtedness by the Use of Motor Fuel Tax Funds from May 1, 2007 Through April 30, 2008.**

The attached resolution invites the reader to enter a “way back” machine. In 1991, the City and IDOT entered an agreement concerning the annual appropriation of MFT monies for debt service. This agreement anticipated the 1992 bond issue, which became the 1996 re-financing bond, which became the 1999 re-financing bond, which became the 2005 refunding bond. Through these various refinancings—all of which resulted in a new debt service schedule for the outstanding bonds which brought a savings to Sycamore—the IDOT debt service schedule has not changed and, apparently, will not change. Accordingly, we must officially appropriate up to a sum of money--\$52,042.50--that correlates with the 1991 IDOT schedule, even though the actual MFT contribution toward debt service on the 2005 bond will be \$50,000 in FY08. This resolution is required.

City Council approval is recommended.

**D. Resolution No. 492—Providing for the Maintenance of Streets and Highways by the City of Sycamore under the Illinois Highway Code from May 1, 2007 Through April 30, 2008.**

This resolution is similarly obtuse. The combination of City expenditures for debt service and maintenance authorized by prior agreement with IDOT is \$120,000. This total is reflected in the FY08 MFT budget, albeit in different categories. The difference between the authorized total of \$120,000 and the authorized debt service payment in Resolution #491 is \$67,957.50. The City will spend more than that amount on salt, street patch, and the related labor in FY08 from a combination of MFT monies and general revenues.

City Council approval is recommended.

**13. CONSIDERATIONS**

**A. Consideration of the City’s Final Tax Extension Report.**

The City received the final tax computation report from the DeKalb County Clerk on April 4. The report shows the City’s rate setting EAV for 2006 as \$359,225,508 which will result in a City tax rate of \$0.66868 per \$100 EAV, the lowest City tax rate since the late 1950’s (in 1960, the City tax rate was \$0.6888 per \$100 Eav)! The City’s self-restraint in annual levies and the moderate growth in community valuation have helped to continually reduce the local property tax burden, along with tax caps. When tax bills are received in June, a City property which has not been improved and which has been fully assessed will contribute less actual City taxes than in 2006.

A copy of the final report is attached for the Council’s review.

**B. Consideration of a Police Department Recommendation to Award a Contract to Veto Enterprises \$36,594 for Two New Police Squad Cars Under the FY08 City Budget.**

In order to take advantage of pricing under the state purchase program, and to arrange for the delivery of squad replacements as early as possible in the new fiscal year, the Police department was authorized to invite public bids on the patrol package in March. Only one bid was received. Veto Enterprises of Sycamore bid \$18,297 per car for 2007 9CI Chevy Impala Police interceptor vehicles, including trade-in credits. The new vehicles will not be received until after May 1, 2007.

The funding for these purchases is in the Capital Assistance Fund (line item 06-8521). This line item also includes monies for the outfitting of the vehicles with light bars, push bumpers, cages, radio consoles, etc. These accessories cost about \$7,000 per vehicle. The overall budget for the two purchases was \$56,000 so there will be some savings to the City.

City Council approval is recommended.

**C. Consideration of a Police Department Recommendation to Award a Contract to AMR Digital Corporation for a Digital In-Car Video Recording System.**

The Police department recently requested proposals from vendors providing in-car video recording systems. As the background memorandum from Lt. Cary Singer explains, three vendors submitted proposals. The lowest pricing for the requested specifications came from AMR Digital Corporation in the amount of \$48,490.00. The funding for this purchase will also come from the Capital Assistance Fund which budgeted \$48,000 in FY08 for this purchase (06-8540). The difference of \$490 between the estimated and actual cost will be offset by the savings achieved in the advance purchase of the two police squad replacements.

City Council approval is recommended.

**D. Consideration of a Closed Session to Discuss Closed Session Minutes.**

- 14. OTHER NEW BUSINESS**
- 15. APPOINTMENTS**
- 16. ADJOURNMENT**