

SYCAMORE CITY COUNCIL
AGENDA
August 6, 2007

CITY COUNCIL COMMITTEE MEETINGS

No Committee 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 July 16, 2007.
 - B. Payment of the Bills for August 6, 2007.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. Ken Andersen will report on County Board issues of interest to Sycamore residents. Ken represents District #3 (Sycamore) and serves on the Economic Development and Law and Justice Committees of the County Board.
8. **REPORTS OF OFFICERS**
9. **REPORTS OF STANDING COMMITTEES**
10. **PUBLIC HEARINGS--None**

11. ORDINANCES

A. Ordinance No. 2007.10—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to the Petition of IRED Sycamore, LLC., Inland Real Estate Investment Corporation, and Yvonne Wolfenberger for the Approval of an Annexation Agreement with the City of Sycamore, Illinois for Property Located on the North Side of Plank Road and East of Moose Range Road, and also South of Plank Road Both East and West of Moose Range Road, and the Subsequent Annexation and Rezoning to “R-1,” One Family Residence District, Planned Unit Development and to “C-1,” Neighborhood Business District, Planned Unit Development. Second Reading.

On June 18, the City Council considered this petition on first reading only. On July 2 and July 16, further consideration of this ordinance was tabled to allow the Mayor’s ad hoc Committee on Growth Management to consider the recent community fiscal study prepared by Dr. David Emanuelson. On July 17, the Sycamore Park Board approved the preliminary plan and a petition to annex to the Park District.

Background

A real estate development firm has filed a petition to annex and develop contiguous land within the City’s mile-and-a-half planning area for residential purposes. The last substantial residential annexation involved the Primm property at IL Rt. 23 and North Grove Road and occurred in January 2006. The property in question consists of 201.64 acres and is contiguous to the Sycamore Creek II development area. The principal petitioner, Inland Real Estate Investment Corporation, owns the property and wishes to annex the property primarily for the purpose of developing detached single-family homes.

This background report will assess the proposed annexation in detail, and in the context of existing city policy, updated housing projections, and abiding fiscal issues of interest to the City and other taxing bodies.

THE PRELIMINARY PLAN

The proposed development plan has the following features:

1. Land Uses. The table below depicts the various land uses by their relative area:

Land Use	Acres	Percentage of Gross Land Area
Single Family Lots	97.9	48.55%
Neighborhood Commercial	3.51	1.74%
Private Parks and Conservation Areas	47.4	23.51%
Public Park Land	5.79	2.87%
Public Road Right-of-Way--Internal	11.18	5.54%
Public Road Right-of-Way—External (Plank & Moose Range Roads)	35.86	17.78%
Total	201.64	100%

2. Residential Density. The gross density is 1.47 units per acre. The plan offers three lot sizes as follows:

Unit Type	No. of Units	Minimum Lot Area	% of Total Units	Acres	% of Total Acres
Single Family 80' x 125'	71	10,000 s.f.	23.91%	18.75	9.3%
Single Family 90' x 130'	194	11,700 s.f.	65.32%	62.50	31%
Single Family 100' x 180'	32	18,223 s.f.	10.77%	16.65	8.26%

3. Access. A number of features deserve note:
- a) The plan depicts a realignment of Plank Road at Moose Range Road. The annexation agreement calls for the dedication of the right-of-way at no cost to the County of DeKalb, and Inland is obligated to contribute \$250,000 toward the engineering and construction costs for the realignment (estimated to be about one-half of the overall cost) at such time as the County may request such funds.
 - b) Commercial lot. Access to and from the commercial lot is from a public way on the north side of the commercial lot, connecting to Moose Range to the east.
 - c) With the realignment of Plank and Moose Range Roads, the homes currently served by Plank and Moose Range Roads would be insulated from the traffic that currently passes their homes. If this subdivision was approved, these roadways would become minor residential streets and their surfaces would be maintained by the City rather than the County of DeKalb or Sycamore Township.
 - d) Access to Plank Road is limited to the intersection of the newly re-configured Moose Range Road and Plank Road, and one access point that is about one-half mile east of the intersection of Devine Way and Plank Road. B&B Development has agreed to adjust the east access point in Sycamore Creek III to align with the Inland access point east of Devine Way.
 - e) The southern section (south of Plank Road will) will connect with Sycamore Creek II as well as Plank Road.
4. Bikeways. The subregional bike path that will connect Heron Creek to Sycamore Creek to Sycamore Creek II will be connected to the Inland project area, and then along the south side of the re-configured Plank Road toward the 30-acre lake dedicated to the Park District for recreational purposes in Sycamore Creek III (see the attached illustrative plan of Sycamore Creek III).
5. Open space. The plan dedicates more than a quarter of the overall land area to open space, either in the form of conservation areas to be maintained by a homeowner's association, or public park land. The City requirement for open space in a low-density planned residential development is 10% (UDO, Article 4.3.4.B.11 "Planned Development: Residential").
6. Buffer areas. Several key buffer areas are proposed:
- A fifty-foot landscaped berm is proposed to separate the backyards of the homes in the Devine Way subdivision and the proposed subdivision.

- The land area east of the homes that presently abut Plank Road will be undeveloped and will provide a buffer between those homes and the realigned Plank Road.

THE ANNEXATION AGREEMENT

The principal terms of the annexation agreement are as follows:

1. The Name. The Owner is conscious of the Comp Plan's preference for a gateway image on the northeast side and is not interested in conjuring a trendy name that does not fit the City's self-image. Accordingly, it is open to local ideas for naming the proposed subdivision.
2. The Term. The agreement runs for twenty years (Section 20).
3. Performance Guarantees. The Owner shall provide an irrevocable letter of credit for the public improvements on the site (Section 13.1). If the City should ever revise its preference for this form of guarantee, other forms such as a cash deposit or subdivision bond are suggested (Section 13.1).
4. Fees. The Owner shall comply with the City's annexation and impact fees (Section 3.2; 6.1), School fees (Section 16.3) and Park fees (Section 16.2) as they may be amended from time to time. In addition, in the event that the transfer tax is held invalid or illegal, the developer will contribute \$3,000 per lot to the School District at the time of final platting of such lots, in addition to any impact fees (Section 16.1).
5. Developmental Exactions. The Owner shall comply with Ordinance 2005.60 with respect to the pace of development and permitting. The second sentence of this section modifies boiler plate language in other city annexation agreements. However, it would still allow a less restrictive pace in the event the Council allows, for instance, a two-lot subdivision to develop sooner than 2010, as occurred on Coltonville Road last year. Accordingly, the City recommends the deletion of the second sentence.
6. Water and Sewer Main Extensions. The Owner shall provide proper storm sewer, sanitary sewer and water main systems in accordance with the City's standards and at the developer's sole expense (Section 7).
7. Roadways. A considerable portion of the text (Section 9) is devoted to future roadway improvements. These may be summarized as follows:
 - Plank Road. Inland representatives and their engineering consultant have consulted with the County Engineer and City Engineer on a number of occasions to fashion a commitment to the realignment of Plank Road, which has been in the City and County comprehensive plans for many years. Inland proposes to dedicate a 100 foot right-of-way at no cost to the County of DeKalb and at the request of the County for such a realignment. In addition, based on a rough estimate of \$500,000 for the engineering and construction of this realignment, they have offered to contribute \$250,000 to the County when the County requests such funding (meaning the County could request it upon approval of the project and bank the money until ready to build the road).
 - Moose Range Road. The realignment of Plank Road also involves the realignment of Moose Range Road (please see the attached illustrative and preliminary plans). This realignment would occur at the sole and entire expense of Inland. The width of the realigned Moose Range would be 35 feet measured back to back of curb, in a 66 foot right-of-way, per the City's design standards. The small commercial parcel (3.51 acres) would have access to the realigned

Moose Range Road via a lane that would also serve the existing homes on the west side and any future developed parcels in proximity.

- Old Moose Range and Plank Roads. Once a realignment of Plank and Moose Range would occur, the existing roadways would become City streets and be maintained by the City. The former Plank Road is an asphalt section and the former Moose Range is a seal coat section. The homes that currently have access to Plank or Moose Range Roads in the vicinity of that intersection would have a quiet street for access once the realignments would occur. It should be noted that if the current Plank Road section is supplanted by the realigned roadway, it will need to be re-named.
 - Traffic Signals. The staff recommends a sharpening of the language in Sections 9.1 and 9.7 to identify the owner/developer's responsibility for the installation of traffic signals at the realigned intersection of Plank and Moose Range Roads, once warrants are established.
8. Variations. No variations from the City's codes and ordinances are requested. The proposed commercial parcel is not shown on the 2003 Future Land Use map but was preferred by the City staff as a constructive alternative to a denser townhouse or multi-family use that would fill this odd-shaped area at the realigned intersection of Plank and Moose Range Roads.

THE TRAFFIC STUDY

The attached traffic study performed by Kenig, Lindgren, O'Hara, Aboona, Inc. of Rosemont is very readable for the non-professional. The study concludes that the proposed development will generate 305 two-way vehicle trips during the weekday morning peak hour and 600 two-way vehicle trips during the weekday afternoon peak hour. Sixty percent (60%) of the traffic generated by the proposed development would travel south on Plank Road; 30% would travel northeast on Plank Road; and 10% would travel north on Moose Range Road. Once the realignment of Plank and Moose Range Roads would occur and development would occur north of this intersection, it is assumed that future traffic volumes would at some point satisfy traffic warrants for a traffic signal. The timing of such a signal would require such warrants and would have to be closely monitored.

PACE OF DEVELOPMENT

A spreadsheet depicting the number of allowable permits per year according to Ordinance 2005.60 is attached. It is of course impossible to predict with exactitude what the permit activity will be for the balance of this year and through 2008 and 2009. The attached timeline projects a more robust pace for 2007 than 2006, but the actual pace as of this writing is slower than predicted and may approximate 2006 by the end of the year. This would push more allowable housing starts into future years. A second spreadsheet is attached that shows the first Inland permits in 2012, for discussion purposes.

SUMMARY

The proposed annexation agreement and preliminary plan conform to the City's long-term planning objectives. They are consistent with the City's Comp Plan, Future Land Use Map (2003), and Northeast Sub-Area Plan. The project also promises additional amenities—the realignment of Plank and Moose Range Roads, bike path extensions, and conservation of

undeveloped open space—that would enhance the quality of living for residents within the proposed subdivision. The Plan Commission considered the Inland annexation agreement and annexation petition on June 11. The Commission voted 9-2 to recommend the Inland petition, plan and annexation agreement. The City Manager supports the Plan Commission recommendation with the following conditions:

- a) a deferral of the first permits until 2012;
- b) the deletion of the second sentence in Section 6.2 of the annexation agreement.

B. Ordinance No. 2007.11—An Ordinance Annexing the 201.64-Acre Property Located on the North Side of Plank Road and East of Moose Range Road, and also South of Plank Road and Both East and West of Moose Range Road in the City of Sycamore, Illinois. Second Reading.

This ordinance separately considers the Inland annexation for recording purposes. Final action on this ordinance will be contingent upon action on Ordinance No. 2007.10.

C. Ordinance No. 2007.16—An Ordinance Authorizing a One-Year Agreement with Blue Cross Blue Shield of Illinois to Provide Health Insurance for the City of Sycamore, Illinois. First and Second Reading.

The City's health insurance plan year extends from September 1 through August 31. Beginning in early June each year, the City's insurance broker sends out requests for quotes to various carriers to see if they would be interested in insuring our group and also to see if Blue Cross, our carrier since 1998, is giving us competitive rates at each renewal. This year, six requests were sent out; Nippon Life quoted rates slightly higher than those quoted by Blue Cross, Destiny Health would quote only if they received medical information from all participants (which we decided not to pursue since they are a high deductible plan), and the Guardian, Principal Life, Humana, and United Healthcare declined to quote due to the size of our retiree population and the special coverage afforded them. As in recent years, Human Resource Director Jean Tritle has ably represented the City in the solicitation of quotes, the negotiation of terms, and the presentation of options to our city employees.

The Basic Health Benefit Plan

The initial renewal quote from Blue Cross came in with a 16.63 per cent overall increase; however, our broker, American National Insurance, was able to negotiate this down to a 6.73 per cent increase overall. Blue Cross supplied the City with the following statistics about our utilization in the past twelve months:

- The City had 14 large claims, as compared to 8 in the prior plan year. These 14 claims accounted for almost 50% of our claims experience for the current plan year.
- The City paid \$1,412,749 in premium costs and incurred \$1,402,478 in claims expenses, for a loss ratio of approximately 99% (up 5% from last year).

Three plan options are offered to our employees under the Blue Cross package: an HMO (health maintenance organization) plan, an HSA (health savings account) plan, and a PPO (preferred provider organization) plan. Of the 124 active employees covered by the three plan options, 105 are covered under the PPO plan. When considered by plan, the overall HSA premium quote actually decreased while the overall PPO quote increased by 7.14%

and the HMO quote increased by 5.6%. There will be no changes to the benefits under each of the three plans offered by the City.

The Dental Plan

The City first offered dental benefits to our employees in September of 2005. Our rates were guaranteed by the insurer, Principal Life, for two years. Principal’s renewal rates were increased by 34.2%. Such a large increase commonly happens for new groups with no prior claims history, as utilization is high when the plan is first implemented. The City’s broker was only able to negotiate this down to a 26.5% increase; however, such a reduction would have involved a change in benefit levels. American National Insurance sent out requests for quotes to four other carriers. Assurant Dental (formerly Fortis) came in with a quote of 19.7% for the same level of benefits that our employees currently enjoy. The City Manager recommends a contract with Assurant and, if the Council approves, the City would switch to the plan offered by Assurant effective September 1, 2007.

The Vision Plan

The City’s vision plan rates were locked in for two years, so there will be no change in those rates for another year.

Based upon the new premiums quoted, the City’s cost is shown in the table below:

MONTH	BLUE CROSS RENEWAL						DENTAL RENEWAL, ASSURANT			VISION PLAN
	RETIREE PREMIUM	LESS RETIREE SHARE	TOTAL CITY SHARE, RETIREES	ACTIVE EMPLOYEE S PREMIUM	LESS EMPLOYEE SHARE	TOTAL CITY SHARE, ACTIVE EMPLOYEE	ACTIVE EMPLOYEE PREMIUM (INCL COBRA)	LESS EMPLOYEE SHARE (INCL COBRA)	TOTAL CITY SHARE, ACTIVE EMPLOYEE	ACTIVE EMPLOYEE PREMIUM (LESS EMPLOYEE SHARE)
May 07	24,397.25	585.63	23,811.62	108,159.69	7,724.90	100,434.79	4,422.32	2,659.18	1,763.14	679.52
June 07	24,397.25	585.63	23,811.62	102,079.23	7,724.90	94,354.33	4,346.42	2,659.18	1,687.24	642.42
July 07	24,397.25	585.63	23,811.62	104,593.83	11,292.38	93,301.45	4,346.42	2,711.69	1,634.73	504.43
Aug 07	24,397.25	585.63	23,811.62	106,728.27	7,649.69	99,078.58	4,418.86	2,463.44	1,955.42	704.78
SUBTOTAL	97,589.00	2,342.52	95,246.48	421,561.02	34,391.87	387,169.15	17,534.02	10,493.49	7,040.53	2,531.15
Sept 07	25,667.90	625.40	25,042.50	113,959.62	11,354.46	102,605.16	5,218.35	2,895.15	2,323.20	717.80
Oct 07	25,667.90	625.40	25,042.50	113,959.62	11,354.46	102,605.16	5,218.35	2,895.15	2,323.20	717.80
Nov 07	25,667.90	625.40	25,042.50	113,959.62	11,354.46	102,605.16	5,080.92	2,757.72	2,323.20	717.80
Dec 07	25,667.90	625.40	25,042.50	113,959.62	11,354.46	102,605.16	5,080.92	2,757.72	2,323.20	717.80
Jan 08	25,667.90	625.40	25,042.50	113,959.62	11,354.46	102,605.16	5,056.72	2,733.52	2,323.20	717.80
Feb 08	25,667.90	625.40	25,042.50	113,959.62	11,354.46	102,605.16	5,056.72	2,733.52	2,323.20	717.80
Mar 08	25,667.90	625.40	25,042.50	113,959.62	11,354.46	102,605.16	5,056.72	2,733.52	2,323.20	717.80
Apr 08	25,667.90	625.40	25,042.50	113,959.62	11,354.46	102,605.16	5,056.72	2,733.52	2,323.20	717.80
SUBTOTAL	205,343.20	5,003.20	200,340.00	911,676.96	90,835.64	820,841.32	40,825.42	22,239.82	18,585.60	717.80
TOTAL PREMIUM	302,932.20	7,345.72	295,586.48	1,333,237.28	125,227.51	1,208,010.47	58,359.44	32,733.31	25,626.13	8,273.55
HSA FUNDING						14,250.00				
TOTAL PREMIUM						1,222,260.47				
TOTAL CITY COST, ALL PLANS										
Medical	1,503,596.95									
HSA Funding	14,250.00									
Dental	25,626.13									
Vision	8,273.55									
TOTAL	1,551,746.63									
Budgeted	1,705,036.00									
Surplus/Deficit	153,289.37									

The City’s life insurance and short-term disability insurance policies were also with the Principal for the past two years. While the Principal had stated that they would not raise the rates they charge for these two plans for the upcoming year, they did state that they would increase them by 5% if we did not renew our dental plan with them. Therefore, with

Council approval, the City will move it's coverage to Ft. Dearborn Life, which came in with rates that will save the City approximately \$10,000 in the new plan year. Since Ft. Dearborn life is affiliated with Blue Cross, this will also make us eligible for multi-plan discounts at renewal time.

The recommended plan changes outlined above will save the City approximately \$163,000. The City could realize an even greater savings if more of our employees were to participate in Health Savings Accounts (HSA), as the premium for this plan is substantially lower than that for the PPO or HMO plans. To illustrate this point, if the 17 employees who currently participate in the HSA were placed back in the PPO plan, it would cost the City approximately \$22,000 in additional premium expenses for the year. Many of our employees have been reluctant to enroll in this plan in previous years because of the high deductible that it requires (\$1,500 single/\$3,000 family). At their meeting on July 24th, the Health Insurance Committee members stated that there would be a greater interest in these plans if the City helped to fund the deductible at a higher rate that it currently does (\$750 single/\$1,500 family). To entice more employees to look at the HSA plan, the City Manager proposes that the City use a portion of the \$163,000 it will save this year to fund the HSA deductible at a higher level, namely, \$1,125 for single coverage and \$2,250 for family coverage. In keeping with past practice, the deductible amount that the City will fund going forward should be determined every August based upon the savings realized once the renewal rates are received, as well as other budgetary considerations.

The City Manager recommends Council approval of the renewal of the City's contract with Blue Cross. It is also recommended that the Council approve the City's increased contribution to the HSA as an incentive for more employees to choose this plan, as it will save the City and the employees premium dollars in the long run.

12. RESOLUTIONS--None

13. CONSIDERATIONS

A. Consideration of a Recommendation from the Engineering Department for a Street Maintenance Schedule in 2007.

The City Council approved a \$300,000 allocation for street maintenance in the FY08 City budget—an increase of \$100,000 over the FY07 street maintenance budget. Of this amount, \$100,000 will come from the General Fund (731-8316); \$100,000 from the Capital Fund (06-8316) and \$100,000 from the 2003 Bond Fund (26-8316). As in previous years, City Engineer John Brady has prepared a list of urgent street maintenance projects that is compiled with the assistance of Fred Busse and Bob Ray of the Public Works department, who regularly assess the condition of City streets. Their priority list is as follows:

- Freed Road--Bituminous surface removal and replacement adjoining the Maple Terrace Subdivision from 230 feet east of Janet Street west to 160 feet west of William Street. Estimate: \$156,810.00.
- Parkside Drive--Pavement removal and replacement from Home Street to 110 feet north. Estimate: \$13,314.00.

- Kishwaukee Drive--Bituminous surface removal and replacement from High Street to 95 feet north and also on Kishwaukee Drive from High Street to 60 feet south. Estimate: \$10,011.00.
- Page Street--Pavement removal and replacement from 150 feet east of Main Street to 255 feet east of Main Street. Estimate: \$26,124.00.
- South Walnut Street--Bituminous/Concrete surface removal and bituminous pavement replacement from State Street to 186 feet south. Estimate: \$11,994.00
- South Walnut Street - Bituminous/Concrete surface removal and bituminous pavement replacement from Elm Street to 65 feet south. Estimate: \$4,218.00
- Somonauk Street from Becker Place to 150 feet south of Georjean Court— Estimate: \$49,591.00. This represents the City's portion of road improvement costs with the remaining costs to be paid by Wiseman Hughes as part of the Reston Ponds project.
- Carlson Street north and south of Victor Street—Includes pavement patching along the east side of street following installation of sanitary sewers and manholes. Estimate: \$4,800.00.
- Peace Road Median--Bituminous paving of the center of the median adjoining the Country Inn Suites/Walgreen's. Estimate: \$6,900.00

TOTAL ESTIMATED COST \$283,762.00

The list presented above is certainly not exhaustive and represents only a fraction of the repairs that are needed. However, as the Council can see, the list would exhaust the funds available in FY07, with the allowance of a modest contingency of 5.7%.

City Council direction is requested.

At the September 17 Council meeting, the City Manager will propose a number of funding options to underwrite a more substantial annual street maintenance program in future years.

B. Consideration of Contractor Bids for Construction of New Sidewalk on South Main Street and North Avenue, and the Repair of the Driveways Serving the Fire Apparatus Bays at the Fire Station on DeKalb Avenue.

City Engineer John Brady has prepared specifications and solicited bids for several summer concrete projects. These projects include

- sidewalk replacement and related driveway replacement on South Main Street;
- the replacement of the spalled driveway ramps in front of the south overhead doors serving the Fire department's apparatus area; and
- the installation of missing sidewalk from 231 North Avenue to the Marathon Gas Station on North Main Street.
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These bids will be opened on the afternoon of August 6. City Engineer Brady will prepare a bid tabulation sheet with a recommendation for the Council's review at the August 6 meeting.

C. Consideration of an Administration Request for a Closed Session to Discuss Imminent Litigation.

14. OTHER NEW BUSINESS

15. APPOINTMENTS

16. ADJOURNMENT