

SYCAMORE CITY COUNCIL
AGENDA
October 1, 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 September 17, 2007.
 - B. Payment of the Bills for October 1, 2007.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. Sycamore Economic Development Commission member Ken Mundy will introduce Ed and Alice Paulson of Genoa Business Forms (445 Park Avenue) who will briefly describe their firm's products and services.
 - B. Proclamation Declaring October 7-13, 2007 as Fire Prevention Week in the City of Sycamore, Illinois.
8. **REPORTS OF OFFICERS**
9. **REPORTS OF STANDING COMMITTEES**

10. PUBLIC HEARINGS--None

11. ORDINANCES

A. Ordinance No. 2007.27—An Ordinance Amending Title 3, “Business and License Regulations,” Chapter 2, “Liquor Control,” Section 3-2-6, “Classification of Licenses; Fees; Hours and Days,” Paragraph 9, “Class H,” of the City Code of the City of Sycamore, Illinois. First and Second Reading.

Scott and Sheri Prutton, the owners of the Sycamore Winery at 322 W. State Street, are interested in an expansion of their business to include an adjacent, and presently vacant, retail space to accommodate shoppers who want to sample their wines on the premises. They envision serving their wines by the glass on tea tables in the adjacent space, with pre-cooked sandwich “wraps” and snacks that require only microwave heat for preparation. Aside from a number of building code and health code requirements that would have to be met, a change in the City’s Class “H” license provisions would be necessary for such an idea to be realized. Presently, the Class “H” license provisions authorize the retail sale of wine or beer (brewed on the premises) for consumption off the premises, and the tasting of wines or beer in samples of one ounce or less in connection with their sale in original packages. Samples are provided without compensation and tasting and sales are limited to the hours to 9:00 a.m. to 10:00 p.m. Mondays through Saturdays, and 11:00 a.m. to 10:00 p.m. on Sundays.

The proposed ordinance changes are as follows:

- Samples of wine may be served by the glass on the premises;
- Home-brewed beer or wine in the original corked or capped containers/bottles may still be sold for consumption off the premises;
- No walk-up or curb service is allowed. Customers who wish to sample the wine or beer by the glass with a modest food menu must be willing to sit at the tables.

Mayor Mundy and the City Attorney have collaborated on the attached ordinance. City Council direction and action are recommended.

B. Ordinance No. 2007.28—An Ordinance Amending the Combined Annual Budget and Appropriation Ordinance for Fiscal Year 2007-2008 in the City of Sycamore, Illinois. First and Second Reading.

To promote better fiscal planning, since 1998 the annual budget has been revised at mid-year to reflect audited numbers for the previous fiscal year ending on April 30. The attached ordinance revises the year-end FY07 expenditure numbers in the FY08 fiscal budget, and revises the FY08 special and capital funds to reflect actual construction bid numbers to date and specific Council direction since May 1, 2007. The key changes are highlighted below:

1. Fund 2, “Water Fund.” On June 18 the City Council allocated additional monies from the Water Fund reserve for the repair of pumps and motors, and established a decommissioning allowance for our radium removal facilities, per IEMA requirements. Specifically, \$120,000 was transferred from the reserve to provide for an equal increase in line item 741-8584, “Water Pumps and Motors,” and an

additional \$178,200 was transferred from the reserve to allow for an equal increase in line item 740-8496, "Radium Removal Contingencies."

2. Fund 6, "Capital Assistance Fund." Revenue line item 3720 is decreased from \$5,000 to \$4,000 to account for the actual contribution to the Police department from the Turning Back Time Car Show sponsors.
3. Fund 13, "Downtown Revolving Loan Fund." On May 7 the City Council extended the deadline for the completion of the two FY07 downtown façade improvement projects to August 1, and in doing so created a liability against the FY08 budget. The proposed revision shows no grant expenditures in FY07 (line item 8418) and \$30,000 to be allocated in FY08. The two FY07 projects were completed by the extended deadline, and were paid in August. A total of \$4,500 was granted from Fund 13 to the owners of 322 West State Street (Sycamore Winery) and a total of \$15,500 was granted to the owners of 239, 245, 249 and 303 West State (Paulsen's/Cooper's). An additional \$22,745 was granted from Fund 22, the Sales Tax Distributive Fund, to complete the window replacement at Paulsen's/Cooper's. Aside from the \$20,000 in deferred FY07 grant allocations, line item 8418 has an additional \$10,000 for FY08 grants.
4. Fund 22, "Sales Tax Distributive Fund." Line item 8625 has been increased to \$37,748 to account for the balance of the FY07 window replacement grant for the Paulsen's/Cooper's buildings.
5. Fund 25, "2003 EPA Loan Fund." The debt service requirements (Line items 8411 and 8412) have been increased. The flexible nature of the IEPA loan for the improvements at Wells 6 & 8 means that the principal and interest obligations remain modest until the project nears completion. A more certain estimate of eligible costs is now possible, and the City's reporting will reflect such costs. Before the end of the fiscal year, once the Well 6 & Well 8 projects are completed, the Council may consider an additional revision to reflect long-term annual loan repayment costs.

Spending within the General Fund expenditure budget remains \$11,562,698. These expenditures are offset by \$11,588,972 in anticipated General Fund revenues. The actual General Fund cash reserve or starting fund balance will total \$6,773,301 or 58.6% percent of the planned General Fund expenditures for FY2008.

City Council approval is recommended.

12. RESOLUTIONS--None

13. CONSIDERATIONS

A. Consideration of Community Proposals for the Future Use of the Engh Farmstead.

By the Friday, September 21 deadline for responses to the City's request for proposals (see attached), three proposals had been received. The following agencies have submitted proposals:

- a) The Kishwaukee Family YMCA;
- b) The Sycamore Historical Society and Museum; and
- c) The DeKalb County Court Services.

One two-page written proposal was received from a private individual, Betty L. Hall, essentially supporting the use of the farmstead by the Sycamore Historical Society for the purpose of creating a “farm museum.”

Because of the detail in the submittals and the short time frame in which to consult with the interested agencies prior to the deadline for the Council agenda on September 26, the City Manager will defer a full report until the regular Council meeting on October 15.

B. Consideration of an Administration Request for Direction Regarding New Funding Options for Street Improvements.

The purpose of this background report is to review Sycamore’s recent efforts to improve older streets and to survey some funding options for expanding the city’s annual street improvement program. This report is offered to open a discussion that may occupy the Council over several meetings.

How Sycamore can address the deterioration of its neighborhood residential and commercial streets in particular, and its aging street network in general, has been an abiding concern of City Councils for many years. From the mid-1970s until the late 1990s, street improvements were undertaken each year, but not at a pace to maintain the serviceable lives of aging street surfaces. In this period, federal revenue-sharing dried up, a number of established Sycamore businesses closed, and both population growth and economic growth in general were flat. For most of the 1990s, the street maintenance program was reduced to less than \$100,000 per year. From the mid-1990s, even as successive City Councils engaged the community in long-term land use planning and capital planning, the pursuit of an ambitious, ongoing program of street repair had to annually compete head-on with other ongoing capital needs as well as demands for additional municipal service. Each city budget message since the spring of 1999 has highlighted the need for fiscal strength in the form of strong general revenues, to enable the city government to adequately satisfy the sometimes competing public expectations for more service and more capital improvements. Of course, general revenues are not the only source of funding for new operational initiatives and capital projects, but they are perceived by bond buyers as the most reliable sources of debt service for long-term capital improvements. Examples of such general revenues include property taxes, sales taxes, use taxes and state-shared revenues such as income tax and motor fuel taxes.

Legislative Background

Since the mid-1990s, when a modest revival in commercial investment and housing starts began, City Councils have expanded the general revenue stream in a number of ways. The expanded stream of revenue has simultaneously funded new hires and new borrowings to complete larger capital improvement projects. The financial highlights are as follows:

- November 5, 1996. City residents approve home rule status by referendum by a vote of 2,414 to 1,344.
- October 27, 1997. City Council imposes a home rule tax of ½% on retail sales (except automobile, food, and drug sales per state statute).
- March 20, 2000. City Council increases the home rule tax on retail sales within the corporate limits from ½% to ¾%.

- April 3, 2000. City Council dedicates the home rule tax increase toward the funding of a modest list of general capital projects including annual street maintenance. These funds become the principal source of revenue for the Capital Assistance Fund (Fund 6).
- May 1, 2002. A 2% restaurant/bar tax becomes effective to support general operations and to pump up general revenues to help fund the debt on the \$4 million 2002 Capital Projects Bond (Fund 24). The General Fund transfers \$200,000 each year to Fund 24 for debt service. Among the capital projects funded by this general obligation debt are the Home Street project, the conversion of the former Street Division garages to create the Building and Engineering offices, the remodeling of the Public Safety building, the Somonauk Street improvements from State to Elm and the Maple Street improvements from Exchange to Elm.
- July 1, 2003. A 5% telecommunication tax becomes effective. This tax applies to local and long-distance calls, either land-based or wireless, and is charged against the caller's billing address. The tax is deposited in the General Fund to support general operations and additional general obligation debt service.

The juggling of local expectations regarding both operational services (i.e. departmental spending) and capital improvements annually requires a careful allocation of these general revenues toward both ends. Three-year capital spending goals have been a part of this budget process since 1999 and annually portray the sources and uses of capital funds. A color-keyed copy of the three-year plan presented during the FY08 fiscal budget process is attached.

From the Spring of 1999 to the present, general revenues such as property taxes, sales taxes, and use taxes have funded the following new hires in our public safety departments:

- ✓ Police: 9 patrol officers
- ✓ Fire: 10 firefighters
- ✓ Public Works (street, water and treatment plant divisions): 6 laborers

In this same period, the portion of our general revenues allocated toward annual debt service has increased from \$155,000 (1996 Bond debt service) to \$770,000. In FY08, the two major repositories of general revenues--the General Fund and Capital Assistance Fund (Fund 6)--will pay debt service for the following borrowings:

FY08 Debt Service—General Capital Dollars			
	General Fund	Capital Fund	MFT Fund
2002 Bond Fund	\$200,000	\$120,000	
2003 Bond Fund		\$95,000	\$50,000
2005 Bond Fund*	\$155,000		\$50,000
2007 Bond Fund	\$200,000		
Total	\$555,000	\$215,000	\$100,000

*The 2005 Bond Fund (Fund 27) refunded the 1999 Bond Fund which refunded the 1996 Bond Fund

The City's auditor recently reflected that the City's legal debt, funded in large part by the annual debt service payments noted in the table above, is comfortably within Sycamore's legal debt margin and represents a lower per capita debt than most Illinois communities of

comparable size. However, this does not mean that the City can dramatically expand its annual debt obligations on the basis of its current general revenues. In fact, as year-to-date revenue estimates show, the “juggling” of current general revenues for both expanded operations and existing capital commitments does not promise a year-end surplus that can be translated into more capital debt.

Recent Fiscal Commitments to Street Reconstruction and Maintenance

What has been accomplished in the way of street improvements in recent years? Through a combination of significant state grants, borrowed monies, and some accumulated reserves, the City has been able to make substantial progress in the repair, reconstruction, or extension of a number of key arterial and collector streets, including DeKalb Avenue, State Street, a variety of downtown streets, Bethany Road, and Oakland Drive. The table below illustrates this progress in terms of City budget allocations:

Street Maintenance and Reconstruction (includes engineering, easements, r.o.w.)										
FUND	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	Total
General Fund	\$155,918	\$291,854	\$190,037	\$221,308	\$127,445	\$137,650	\$149,418	\$102,669	\$104,321	\$1,480,620
Capital (Fund 6)	\$0	\$25,877	\$2,822,362	\$2,608,611	\$398,550	\$76,185	\$38,364	\$150,000	\$100,000	\$6,219,949
MFT (Fund 7)	\$93,889	\$0	\$0	\$894,703	\$248,016	\$344,274	\$290,463	\$162,193	\$0	\$2,033,538
1996 Bond (Fund 14)	\$0	\$1,003,752	\$635,798	\$0	\$0	\$0	\$0	\$0	\$0	\$1,639,550
Fuel Fund (Fund 22)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,104	\$44,512	\$79,616
2002 Bond (Fund 24)	\$0	\$0	\$0	\$0	\$300,279	\$600,385	\$1,520,943	\$0	\$0	\$2,421,607
2003 Bond (Fund 26)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$395,911	\$520,375	\$916,286
2007 Bond (Fund 29)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$249,807	\$1,321,483	\$3,648,197	\$3,724,622	\$1,074,290	\$1,158,494	\$1,999,188	\$845,877	\$769,208	\$14,791,166
Key Projects:										
FY99	Neighborhood residential streets									
FY00	Neighborhood residential streets; Fund 14: Rt 23/Rt 64 water & sewer									
FY01	Fund 6: Rt 23/Rt 64 (includes state reimbursements; city share was about \$2,305,000); Fund 14: Rt23/Rt64 water & sewer									
FY02	Fund 6: Downtown Streetscape (includes \$500,000 in Illinois First grant reimbursements); Fund 7: Bethany Road									
FY03	Fund 6: Close-out Rt23/Rt 64 project; Fund 7: Bethany Road; Fund 24: Neighborhood residential streets									
FY04	Fund 7: Bethany Road; Fund 24: Home Street reconstruction									
FY05	Fund 7: Bethany Road; Fund 24: Somonauk/Maple Street reconstruction									
FY06	Fund 7: Bethany Road; Fund 26: Oakland Drive extension									
FY07	Fund 26: Oakland Drive extension									

Although not part of this report, City spending on municipal sidewalk repairs and installation has also been significant in recent years and likewise leveraged by borrowed monies. The 2003 Bond Fund and the Sales Tax Distributive Fund (Fund 22) have been the major financing sources for sidewalk improvements apart from the annual assistance program offered by the Building department. Alliance Contractors built new sidewalk to fill in sidewalk “gaps” around the community in 2005 and 2006 in the amount of \$240,000 and Stenstrom Excavating has a \$99,217 contract to repair sidewalks along S. Main Street in 2007. The installation of new sidewalk along Commercial Street is planned for 2008.

NEW REVENUE OPTIONS TO INCREASE CAPITAL SPENDING ON LOCAL STREETS

While notable for a small community, the City’s investment in road repairs and reconstruction in the past ten years has had a limited impact on neighborhood residential streets. Both the Council and the City staff are eager to make more progress in neighborhood street repair, particularly in older neighborhoods with streets that have not been well-maintained for generations because of inadequate public funds. The balance of this report will highlight some options for funding such improvements in a substantial manner, for years to come.

Option A. Increase the City’s Home Rule Tax.

As noted above, when the City’s home rule sales tax was increased from ½% to ¾% in 2000, the entire proceeds from the additional .25% were deposited in the Capital Fund (Fund 6). In FY07 the proceeds from this .25% amounted to \$604,940, and the total in FY08 is estimated to be \$650,000. Is it safe to say that each incremental increase of .25% would generate an additional \$600,000 to \$650,000 per year for street improvements? It is impossible to know for sure. At some point, shoppers and diners would adjust their buying habits. However, with the current DeKalb home rule tax at 1.25% (vs Sycamore’s .75%), it is not likely that Sycamore would experience a competitive disadvantage with an increase to 1%, or possibly 1.25%. The opinions of local retailers would be welcome and critical on such a topic, and public hearings would be prudent. In addition, the Council would likely need to rebate the incremental increase for the two fuel companies whose revenue-sharing agreements with the City give them the option of nullifying their commitment if the City increases its sales tax.

Option B. Impose a Utility Tax.

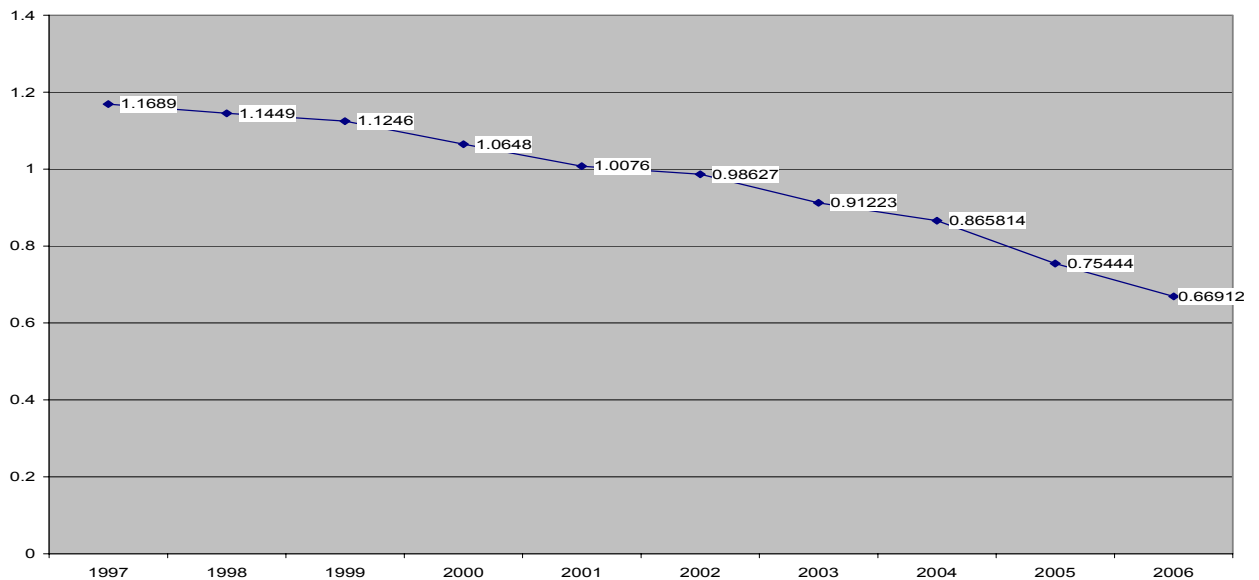
Municipal utility taxes are imposed on the gross revenues of companies providing electricity, gas, cable television, and telephone utility services within a community’s corporate limits. Utility companies calculate the tax, place it on the customer’s bill, collect the tax, and remit the tax directly to the City on a monthly basis. The City of DeKalb imposes a 5% municipal utility tax. This tax has been avoided in the past because of its significant impact on businesses that are large energy users, such as industrial firms in our midst, and firms we hope to attract to our industrial and business parks. It is difficult to gauge the revenue that might be derived from this source, but something in excess of \$50 per capita would be a conservative starting point.

In view of the competitive advantage which Sycamore enjoys in attracting industrial firms because it does not impose a utility tax, and the additional household cost that such a tax would bring to the City's residents regardless of income, this option is not recommended.

Option C. Increase the City's Property Tax.

In the interest of a thorough range of options, this possibility is raised. However, in view of the singular progress made by City Councils since the late 1990s in substantially reducing the City's property tax rate and, as a result, the aggregate property tax rate for local businesses and residents, a substantial increase in the City's annual levy would be particularly galling and antithetical to the City's business attraction efforts. The progress in the City's campaign to decrease the impact of local property taxes from 1996 through 2006 is illustrated in the table below:

City Property Tax Rate
1996-2006



Option D. Impose a Transportation Impact Fee on New Development.

As with other impact fees, transportation impact fees must meet three constitutional standards in Illinois that ensure a substantial relationship between the regulatory requirements and the public purpose for which they are imposed. The three standards examine whether the exaction is (a) uniquely and specifically attributable to the development; (b) bears a reasonable relationship to the development; and (c) has a rational nexus with the new development.

Impact fees may not cover costs associated with the repair, reconstruction, operation or maintenance of existing roads except where a new improvement can be shown to be uniquely and specifically attributable to a particular development. This substantially narrows the instances in which such fees can be used. The City requires developers to install all the public and private streets within their subdivision. The new improvements attributable to a development that are not within a development might include lane

widening or turn lanes on an existing collector street which intersects with a residential street within a new subdivision. The same may be true of traffic signals for which warrants are met, and for which a proportional share of the cost can be attributed to the new development.

Whether road fees that are not currently referenced in existing annexation agreements can be retroactively imposed is a subject for the City Attorney to investigate carefully. The ruling on this question will determine the scope of funds that could be derived from such a source, at any fee level. It is certain that the imposition of a road impact fee affecting future annexation agreements is possible so long as the fees meet the constitutional tests noted above as well as procedures established in law. Such procedures are outlined in the Road Improvement Impact Fee Law (605 ILCS 5/5-901, *et seq*) and include the adoption of a comprehensive road improvement plan, a statement by the City as to how the proposed plan would be served by the road fees, a public hearing on said plan and fees, etc. As a matter of prudence, some communities surveyed for this report have hired an engineering consulting firm to develop a methodology for determining the impact of new trips added to the local road system, before proceeding to a public hearing. Although the City requires traffic impact studies for new developments, the calculation of captured trips in the impact fee context is different than that in a traffic impact analysis.

A copy of the Naperville ordinance for roadway impact fees is appended for the Council's review.

Option E. Establish Special Service Areas.

1) Special Service Areas in Existing Neighborhoods.

The Illinois Constitution allows a municipality to levy an additional real estate tax in an area within its boundaries for the purpose of providing special services to this area that are not available to the entire municipality. The statutory authority can be found in the Special Service Area Tax Law (35 ILCS 200/27-5, *et seq.*). Special services “. . . means all forms of services pertaining to the government and affairs of the municipality . . . including but not limited to . . . improvements permissible under Article 9 of the Illinois Municipal Code . . .” Article 9 of the Municipal Code pertains to local improvements and provides for making a wide variety of improvements by special assessments, including water, sewers, streets, sidewalks, shopping malls, and street lights.

As in every other municipal project, a special service tax or bond issue must be for a public purpose. After determining that this condition can be met, the next requirement is to ascertain a reasonable boundary for the special service area (SSA). One of the practical difficulties in SSA financing is the establishment of the boundaries of the SSA. As property taxes are levied uniformly throughout the Special Service Area, the property on the borderline within the SSA is assessed in full, and the first property outside the boundary is not assessed at all. Under the Statute, a special service area “. . . means a contiguous area within a municipality or county in which special governmental services are provided in addition to those services provided generally throughout the municipality or county, the cost of these special services to be paid from revenues collected from taxes levied or imposed on property within that area.” After the boundaries are set, the next step is to

determine that the services to be rendered are “special,” which means that the services to be rendered are different in quality or quantity from services generally rendered in the municipality.

Once a geographic area is established along with the special purpose, the procedures are as follows:

An ordinance is adopted by the municipality calling for a hearing on the establishment of the SSA. Among other things, the ordinance must set forth the nature of the proposed special services, a statement as to whether the proposed special services are for new construction, maintenance, or other purposes; a notification that all interested persons, including all persons owning taxable real estate located within the SSA, will be given an opportunity to be heard at the hearing regarding the tax levy and an opportunity to file objections to the amount of the tax levy if the tax is a tax upon property; and the maximum rate of taxes to be extended within the SSA in any year and the maximum number of years the special taxes will be levied if a maximum number of years is to be established.

After this initial ordinance is adopted, proper legal notices must be mailed and published. A public hearing is required (a) to form a special service district, (b) to levy or impose a special service tax, and (c) to issue bonds to be retired by taxes levied in the district. These three items can be combined at the same public hearing. In addition to the right to a hearing, an SSA may be vetoed by a petition of 51% of the electors and owners of record filed within 60 days following the final adjournment of the public hearing. The petition may be directed against any one of the three propositions or against all the propositions. The sixty (60) days within which the petition to veto the proposition can be filed does not commence until final adjournment of the public hearing, so care should be taken to indicate when a hearing adjourns that it is a final adjournment.

The next step after the public hearing is to adopt an ordinance establishing the SSA. This ordinance can be adopted immediately following final adjournment of the public hearing providing its effective date is deferred for the sixty (60) day petition period and is contingent on no petition being filed. In general, it is suggested that the ordinance contain findings to the effect that the notices of public hearing were published and mailed in conformity with the Special Service Area Tax Law and that all interested persons were given an opportunity to be heard. In addition, a finding showing the basis on which the SSA boundaries were defined and that proposed municipal services are unique and in addition to the municipal services provided to the village as a whole should be made. The ordinance should specify the geographical area included in the SSA and the purpose for which the area is formed. The ordinance must include the legal description, the permanent tax parcel numbers, and an accurate map of the SSA.

If the public hearing considers the question of issuing bonds then the adopting ordinance shall set forth the amount of the bonds to be issued, the interest rate, the maximum maturity, and the maximum tax to be levied annually.

Special service areas addressing aging infrastructure are common in municipalities within the collar counties. Where corporate boundaries are set and general revenue growth is constrained by slower development or relatively higher re-development costs, incremental property tax increases may be more palatable than higher use taxes.

2) Special Service Areas in New Subdivisions.

In the course of negotiating an annexation proposal, language can be added to the annexation agreement which essentially imposes a special tax on future homeowners. Such language must meet state statutory requirements for the establishment of an SSA. Initially, of course, the developer is the principal owner of record, but as parcels are sold and buildings are built by disparate owners the tax burden would be spread. If the purpose of such an SSA is to provide, in effect, a sinking fund for future road improvements, it can be so stated and the obligation can be passed along from parcel owner to parcel owner.

F. Increase the Telecommunication Fee.

The current fee can be increased to 5% to 6% in .25% increments. Such action requires an ordinance. To become effective by July 1, a change must be made by March 1 in any year. To become effective by January 1, the change must be made by September 20. A 1% increase would generate an estimated \$100,000; such a modest gain may not balance the cost borne by local residents.

Summary

As the Council considers different options to increase the funding for annual street maintenance, a frame of reference for different categories of repair might be useful. To simplify the Council's review, asphalt street improvements are the principal focus. Of course, the City has a mix of asphalt and concrete streets in its older residential and commercial areas which complicates the scope of repair and the cost.

The repair, resurfacing, and reconstruction of asphalt streets involve differing construction methods with different service lives. The service life for each type is outlined below:

- ✓ Crack sealing with rubberized asphalt. 5 years. Such work is ideally performed early in the life of a new street.
- ✓ Pavement patching. Variable depending on type.
- ✓ Pavement sealing. 5 years.
- ✓ Microsurfacing. 5 to 7 years.
- ✓ Bituminous resurfacing. 15 to 20 years.
- ✓ Reconstruction. 20 to 25 years.

It is important to note that the serviceable life of an asphalt street can be extended with timely crack filling and pavement sealing at 5-year intervals. Conversely, if such work is not performed in a timely fashion, the service life of an asphalt street can be shortened, depending on the severity of annual freeze-thaw cycles.

The two most costly categories of asphalt improvements are (a) resurfacing and (b) reconstruction. The breakdown of costs in 2007 dollars for these two categories of repair is presented below:

- a) Resurfacing. For the purpose of preparing an estimate for street resurfacing for a street that is probably around 30 to 35 years old, it is assumed that the street is 35' measured back to back of B-6.12 curb and gutter with a bituminous surface width of 32'. The work would typically include milling off the existing 2" to 3" bituminous surface, preparation of the base (possibly with new aggregate), priming the stone base, and placing a 2 1/2" binder and 1 1/2" surface layer of asphalt.

Often, some minor curb and gutter replacement is involved, along with manhole adjustments with new frames and covers and traffic control during the work. The estimated cost for this work is \$108.50 per lineal foot or \$30.48 per square yard.

- b) Reconstruction. In the extreme case, street reconstruction may be necessary. Again, a street with a width of 35' back to back of curb is assumed. Where reconstruction is involved, aging underground infrastructure is usually involved as well. A reasonable estimate would accordingly include all new sanitary sewer and water main and new services to each lot as well as a new storm sewer system. This was the scope of work for the Home Street and Walnut Street project completed in 2003 and would include the previously mentioned sanitary, water, and storm sewer along with trench backfill, excavation, a new aggregate base course, bituminous surface, new curb and gutter, new sidewalk, driveway removal and replacement, and sodding. The estimated cost for this work is approximately \$950.00 per lineal foot or around \$267.00 per square yard. Such work is significantly more expensive than building a new street in a new subdivision because of the need to work around existing infrastructure, resident needs for access to their properties and the need to maintain limited access for deliveries, etc.

The City currently has about 80 miles of streets and alleys that are publicly owned and maintained. It is estimated that possibly one-fifth of these street miles are in need of some form of substantial improvement, and nearly all of these deteriorating street miles are in subdivisions built between the 1920s and the mid-1990s. In 1997, City Engineer John Brady estimated that a street program designed to bring a targeted list of older City streets within the estimated service lives of each construction method outlined above would cost about \$1.9 million in the first year with a 4% budget increase in subsequent years (see the attachment). Mr. Brady's overall list included \$12,063,000 in street repairs, excluding alley repairs.

Since 1997, a number of the larger resurfacing and reconstruction projects on Mr. Brady's list have been completed (e.g. State Street; portions of Home and Walnut Streets; Bethany Road; DeKalb Avenue and Elm Street). At the current pricing detailed above, a conservative estimate of the overall cost for restoring our present inventory of existing streets might be in the range of \$10-\$11 million, assuming at least 20% of all existing streets are in need of resurfacing or more substantial improvement. This estimate does not include the engineering time to design the improvements, any alley improvements, or the ongoing annual costs necessary to keep the improved streets in serviceable condition.

City Council direction is recommended.

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