
**SYCAMORE CITY COUNCIL – REGULAR MEETING
MINUTES OF JANUARY 15, 2007**

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 Persson of the First Baptist Church gave the invocation.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

Motion

Alderperson Leach moved to approve the agenda and Alderperson Knuth 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

CONSENT AGENDA

- A. Approval of the Minutes for the Regular City Council Meeting of January 2, 2007.
- B. Payment of the Bills for January 15, 2007 in the amount of \$370,910.82.
- C. Plan Commission Minutes for November 13, 2006.

Motion

Alderperson Bauer moved to approve the Consent Agenda 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.

PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.

Alderperson Knuth thanked the Fire Department for their quick, efficient, and kind response to his daughter.

REPORT OF OFFICERS

Manager – Bill Nicklas reminded Council about the DCEDC State of the Community dinner January 30, 2007. He said the general fund would be discussed at this meeting and capital and special funds will be discussed at the February meetings.

Engineer – John Brady said the site plans for the Fire Department on Frantum Road were almost complete and he will report the status of the bid process at the next meeting.

Building & Zoning – Lyle Doty – no report

Fire Chief – Bill Riddle reported two serious accidents over the weekend that served as a reminder that it is winter and drivers should keep blankets, boots, and emergency kits in the vehicles.

Treasurer/Asst. City Manager – Brian Gregory reported that December financials were completed at a 66.6% benchmark with revenues running about 75% and expenditures running at 52.5%. Mr. Gregory also noted that the police and fire pension were updated with strong returns. He said interest rates remain high with a day-to-day rate of 5.16%.

Public Works Supt. – Fred Busse said he was happy to report that this is only the second snowfall of the season. He said the crews were out Sunday morning and Sunday evening and have been out all today. He said they will be back out tomorrow morning before traffic gets busy. He said he spoke with a police officer today and there have been no accidents reported in the City limits today. Superintendent Busse said the City has not yet received the Tree City award, but have all the documents filed. He said he had distributed to Council the bid tabulation for tree and stump removal and said the bids received are favorable.

Water Supt. – Ebe Smith reported that over the past 2 years they have been installing radio read water meters. He said they will be installing a laptop into one of their trucks that will pick off the readings as they drive through a subdivision. He said the \$20,000 laptop will be purchased at a discount at \$3,000 because they are getting it through the company through which they purchase the meters.

Police Chief – Don Thomas reported that he will introduce a new police officer at the next meeting. He said this officer is an early hire that was projected for next year for Officer Ann Carlson who is on military duty in Germany.

REPORT OF STANDING COMMITTEES

Finance – no report.

Ordinance – Chairperson Leach said they met earlier and moved to forward signage changes to the Plan Commission.

Police & Fire – no report

Sewer & Water – no report

Streets & Walks – no report

PUBLIC HEARING - None

ORDINANCES

A. Ordinance No. 2006.60—An Ordinance Approving a Development Agreement Between the City of Sycamore, Illinois and Dahlko, LLC. First and Second Reading.

City Manager Nicklas asked Council to receive and file this on first reading only because there are a few details to work out with Mr. Dahl and the Park District.

RESOLUTIONS - None

CONSIDERATIONS

A. Consideration of a Report from Patricia Daley of the Daley Policy Group.

Patricia Daley reported that there is a different dynamic in Congress today. She said the ethics reforms bill has been passed and essentially that changes the process of how federal funds are sought out for projects. She said 100% transparency is the new catch phrase which means that whatever is requested must have a stamp of approval from that congressman to submit to committee. She said the Democrats are interested in eliminating corporate abuse and putting the dollars back to the cities, schools, and social programs. Ms. Daley said the appropriation requests will continue to move forward. She said she has been working on the City's EPA Grant and Congressman Hastert is putting together correspondence to accompany that and she expects to have that in the next two weeks. She said the Bethany Road project looks positive for FY08 because it fits in with the 100 hour agenda. She said because this is a new congress and with an upcoming presidential election, members of congress will want to be recognized for giving attention to local issues. She also said they are coming upon the reauthorization of the transportation bill in a year and a half and any projects relating to transportation the City has in planning should have papers filed. She said if the deadlines are missed, the City will have missed the largest federal funding mechanism in six years for transportation needs.

Aldersperson Paulsen asked if that includes bike paths.

Ms. Daley said the transportation bill includes bike paths, highways, roadways, toll ways, bridges, rapid transit and any connection with a transportation component.

Aldersperson Stowe asked if, considering the change in climate, if having the recommendation of our congressman would have much influence.

Ms. Daley said the relationship between Congressman Hastert and Speaker Pelosi is an amicable one. She said there is a certain allocation given to both parties.

B. Consideration of an Administration Request on the Proposed FY2007-2008 General Fund Budget.

City Manager Nicklas went through the projected General Fund revenues and expenditures that he had prepared in the background of the agenda as follows:

Revenues

1. No new taxes.
2. A slight adjustment in the garbage fee to cover the 2006 Waste Management fee of \$15.28 per unit. The City currently passes along a cost of \$15.08 per unit per month.
3. As in each of the last ten 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 \$1,528,278 or \$35,540 more than FY07, but \$12,407 less than the general levy in 2000, owing to substantial increases in pension obligations over recent years. The pension obligations in FY08 will comprise 35.5% of the City's overall 2006 tax levy.
4. The local share of the combined state income tax proceeds is expected to rise to about \$87.00 per capita, an increase of 5.5% over the FY06 budget level of \$82.50 per capita, but the major factor in the projected 12.44% increase in this revenue category will be the January 2006 City census of 14,866. This assumes that the state legislature does not change the formula for this important revenue-sharing program in the Spring legislative session.
5. Once again, the former Kmart building and shopping center is not expected to generate measurable sales tax revenue in FY08. The First Rockford Group's development of the Sycamore Commons subdivision (the Artery Farm) will not generate new retail sales tax for at least another year. If Jewel proceeds with the development of the store at Peace, Plank and

Rt. 23, the first sales tax proceeds will not likely reach us until state disbursements in February 2008.

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 \$430,269 (8.6%) over projected FY07 year-end levels. This amount represents about 43% of the projected increase (\$994,259) in General Fund revenues in FY08 over budgeted FY06 revenues.
 7. Annexation revenue will decrease by an estimated \$50,000.00 because of a lack of new annexations and a slower pace toward final plat approvals expected for later phases of already-approved subdivisions. The projected FY08 annexation fee revenue of \$50,000 will be \$510,509 lower than the actual revenues in FY04.
 8. Engineering plan review and building inspection fees have dropped by over 40% in FY07 and we expect the dramatically slower pace of local housing starts to continue in FY08. The FY08 totals for building inspections, electrical inspections and plumbing inspections will compare more closely with the budgeted total for FY05 than FY07.
 9. The total of all new General Fund dollars in FY08 is projected to be \$11,588,972 (+9.47%) over the FY07 General Fund revenue budget of \$10,586,213.
- a) Expenditures Health insurance costs in the General Fund alone will increase by 10% (or 15% overall, including the Water and Sewer Fund contributions) and worker comp costs will decrease by 4%. The City will also pay a one-time cost of \$40,000 to buy down a SLEP obligation from the mid-1990s.
 - b) As in FY07, 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 in that 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 on local taxpayers.
 - d) A new police officer will be hired after August 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 September 1. In addition, two lieutenant promotions will occur. With these two hires and promotions, the Fire department will have sufficient personnel to support two fire stations later in FY08.
 - f) A new laborer will be hired by the Public Works department during the summer of 2007.
 - g) A number of the deferred FY07 hires will have a greater impact on the FY08 budget because of their twelve months of pay and benefits (e.g. both firefighters, the executive secretary, one of the two police officers, and the Street Division laborer).
 - h) Wage and salary increases will incorporate union contractual increases of about 4 percent;
 - i) Management pay increases are based on the results of the management pay survey completed in the fall of 2006. The last comprehensive management pay review was completed in 2002. Targeted pay levels for senior managers are at about the mid-point of average salaries for similar positions in comparable cities. In most cases, the increases are 4%. In some instances larger increases are merited in terms of the survey results.
 - j) Commodities and contractual services are generally steady at FY07 levels, with the exception of upward revisions to meet our insurance requirements (noted in the General Fund Support budget), utility costs, etc.
 - k) The City's public safety dispatch costs (710-8344) will be \$558,000.00, an increase of 2.8% (\$15,000).

- l) An additional \$200,000 will be added to the General Fund's debt service obligations to fund streetscape improvements on South California Street, S. Main Street and East State Street in the summer of 2007.
- m) The total of all new General Fund dollars in FY08 is projected to be \$11,556,822 (+11.72%) over the FY07 General Fund revenue budget of \$10,344,204.

C. Consideration of a Closed Session Regarding Personnel Matters.

Motion

Aldersperson Kessler moved to go into Closed Session at 8:00 p.m. 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.

Motion

Aldersperson Maness moved to return to Open Session at 8:37 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.

OTHER NEW BUSINESS - None

APPOINTMENTS - None

ADJOURNMENT

Motion

Aldersperson Stowe moved to adjourn the meeting at 8:37 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