
**SYCAMORE CITY COUNCIL – REGULAR MEETING
MINUTES OF OCTOBER 1, 2007**

ROLL CALL

Mayor Ken Mundy called the meeting to order at 7:00 p.m. and Clerk Candy Smith called the roll. Those Alderpersons present were: Grace Adee, Alan Bauer, Terry Kessler, Darren Knuth, Rich Neubauer, Pete Paulsen, Chuck Stowe, and Gregory Taylor.

INVOCATION

Mayor Mundy asked for a moment of silent reflection.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

Motion

Alderperson Adee moved to approve the agenda and Alderperson Taylor 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

Anthony Cursio, 1457 Ridge Drive, said he moved from out of town and paid the Transfer Tax that goes to Sycamore School District and he found out that children in the Prairie Ridge Townhome Association go to DeKalb schools. He asked what they can do to get their children to go to the Sycamore School District.

City Manager Nicklas said that School District boundaries are not a City decision and suggested he contact Assistant City Manager Brian Gregory.

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 in the amount of \$1,048,133.54.

Motion

Alderperson Bauer moved to approve the Consent Agenda and Alderperson Neubauer 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 Bauer encouraged Council to look at the S. Main Street sidewalk project. He said they saved the parts of the sidewalk worth saving and replaced the rest which was efficient use of dollars. He said that is what he had envisioned for a sidewalk project when it was talked about five years ago.

Alderperson Taylor noted that the Sycamore Cross Country Team is rated number 1 in the State in the Class AA division.

Mayor Mundy congratulated Midwest Museum of Natural History for receiving the Small Institution of the Year Award given by the Illinois Association of Museums. He noted that the City Tree Program will remain open for orders until October 5. He said Sunday at 1:00 p.m. the Historical Society will sponsor a Cemetery Walk. He also said there will be a free organ recital Sunday at 3:00 p.m. at St. John Lutheran Church.

- 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.

David Paulson, President introduced his father Edward and his brother Phil who is the Vice President. He said Genoa Business Forms began in a storefront in Genoa in 1957 and moved to Sycamore 25 years ago. He said they are a non-polluting manufacturer with most of their waste hauled away or recycled. He said they sell only through independent distributors in town, but mentioned that they do print Sycamore's parking tickets and Sorrento's menus. He said in the aftermath of Hurricane Katrina they manufactured one-half million checks for national insurance companies and their employees worked seven days a week for the first time in the company's history. He said they print mostly for hospitals, insurance companies, and banks and have 40 employees. He said they have recently branched out into a line of not-easily duplicated documents such as checks, transcripts and prescriptions.

Phil Paulson said they have a new product line of embroidered shirts that are mostly business wear. He thanked the City for a wonderful relationship.

Mayor Mundy said they were green before it was fashionable.

- B. Proclamation Declaring October 7-13, 2007 as Fire Prevention Week in the City of Sycamore, Illinois.

REPORT OF OFFICERS

Manager – Bill Nicklas reported that FEMA has opened a disaster recovery center on the 3rd floor of the Sycamore Center for the next three weeks. He said there is also a Small Business Administration representative available. He said 12 proposals for the conceptual design of the new Police Department have been received and a small committee will review and forward a recommendation to Council. He said the Engh Farmstead proposals are being reviewed and will be on the agenda for discussion at the October 15th meeting.

Engineer – John Brady said the annual Street Maintenance Program began today and should be wrapped up in about 10 days.

Mayor Mundy said that new sidewalks were being placed on North Avenue to provide access to North Main Street.

Building & Zoning – Lyle Doty said he has begun the review process for a commercial building on Lot 14 of Sycamore Prairie Business Park.

Fire Chief – Bill Riddle thanked Mayor Mundy for the proclamation and noted that many elementary class tours are being conducted at the Fire Station for Fire Prevention Week. He reported that the apron of the driveway in front of the Fire Station is being replaced.

Treasurer/Asst. City Manager – Brian Gregory commended City Manager Nicklas and Department Heads for working within the budget. He reported \$129,327 for the 3rd quarter Transfer Tax has been transferred to the School District totaling \$475,000 for the YTD.

Public Works Director – Fred Busse reported the leaf program will start October 15 and last until November 29. He reminded residents that they will only pick up leaves and to rake the leaves to the curb and not into the street.

Police Chief – Don Thomas said the Homecoming Parade will take place Wednesday evening at 7:00 p.m. and will last about 35 minutes. He also reminded residents that barricades, chairs, and blankets may not be set out for Pumpkin Parade viewing before 5:00 p.m. October 26th.

REPORT OF STANDING COMMITTEES

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

PUBLIC HEARING - None

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.**

City Manager Nicklas explained that Scott and Sheri Prutton, owners of the Sycamore Winery are interested in expanding their business to do some things that are not currently allowed in the H license provisions. He said they want to serve wines by the glass at tables in the store.

Mayor Mundy asked Scott Prutton what space would be used for serving the wine.

Scott Prutton said their plan is to lease the retail space next to their existing store. He said until that was ready, they would put tables in front of their existing store. He said they already have a food establishment permit through the Health Department. He said over the past years they have been working with the Illinois Board of Tourism and the Illinois Grape Growers & Vendors Association and have been placed on the Northern Illinois Wine Trail. He said the visitors have been a little disappointed that they cannot offer a glass of wine with fruit and cheese and now that they have been placed as a destination on the trail they would like to be able to offer more than samples.

Aldersperson Taylor said part of his reluctance was that they are changing a sales facility into more of a restaurant or bar facility.

Mayor Mundy said that pertinent to this situation is that the products are made on site. He said they are promoting the beer and wine that they produce.

Scott Prutton said he does not want to be in the restaurant business and would probably only offer plates of fruits and cheese. He said they are convinced in the long run that this will bring in tourism dollars to the City.

Aldersperson Neubauer asked if the samples would be free.

Mr. Prutton said they would sell wine by the glass.

Mayor Mundy said there are two wineries in the County doing this.

Mr. Nicklas said they would be working with the Building Department for the building improvements.

Motion

Aldersperson Paulsen moved to hear Ordinance 2007.27 on first and second reading and Aldersperson Adee 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 Paulsen moved to approve Ordinance 2007.27 and Aldersperson Kessler seconded the motion.

Roll call vote

Mayor Mundy called for a roll call vote to approve the motion. Alderspersons Adee, Kessler, Neubauer, Paulsen, Stowe, and Taylor voted aye with Alderspersons Bauer and Knuth voting nay. Motion carried 6 – 2.

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.

City Manager Nicklas said this budget amendment follows the auditor's report and replaces estimated numbers for the FY07 budget numbers and also reflects changes made by Council direction for the FY08 fiscal budget.

Motion

Aldersperson Bauer moved to hear Ordinance 2007.28 on first and second reading and Aldersperson Stowe 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 Bauer moved to approve Ordinance 2007.28 and Aldersperson Kessler seconded the motion.

Roll call vote

Mayor Mundy called for a roll call vote to approve the motion. Alderspersons Adee, Bauer, Kessler, Knuth, Neubauer, Paulsen, Stowe, Taylor, and Mayor Mundy voted aye. Motion carried 9 – 0.

RESOLUTIONS - None

CONSIDERATIONS

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

City Manager Nicklas said this would come back at a future meeting.

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

City Manager Nicklas explained that the background report in the agenda was intended to give some history and to offer some options for new funding. He said he hoped this would just be an opener that would lead to more discussion as well as input from the community. He said although the City has been making substantial investment in street maintenance and reconstruction over the years, we are not keeping up to where we want to be for our residents. He said if the City is going to leverage our annual monies toward street improvements in the direction of a fast start they will probably have to bond for some money and convince the bond holders that our full faith and credit will be behind those bonds. He said that means we will be pledging our general revenue and we can be there with our taxing power to pay for the bonds. He said he has suggested about six new funding options with no strong recommendation, except that he would be strongly opposed to raising property taxes. He said increasing the City's Home Rule Tax from $\frac{3}{4}\%$ to 1% or $1\frac{1}{4}\%$ could generate an additional \$1.2 to \$1.3 million annually for street maintenance. He said this can only be increased incrementally by $\frac{1}{4}\%$ so it would take two actions to raise it $\frac{1}{2}\%$. Mr. Nicklas said the City could impose a Utility Tax, but not having a Utility Tax has set us apart nicely for attracting industrial businesses that have high energy uses. He said he has not recommended that, nor would he recommend increasing the City's Property Tax. He said imposing a Transportation Impact Fee on New Development would need to meet constitutional standards in Illinois and would require public hearings. He said Special Service Areas (SSA) could be imposed for a new subdivision through the annexation agreement, but for existing neighborhoods the 51% of the existing neighbors must agree to the additional tax. He said the City could increase the Telecommunication Fee, but felt that this modest gain might not balance the cost borne by local residents. He said a current estimate of streets needing maintenance through a list compiled by City Engineer Brady in 1997 would be about \$12 million.

Aldersperson Stowe asked what percentage raise in property tax meant in dollars.

Mr. Nicklas said the rate is currently about .669 and if raised to .79 it would mean about \$650,000.

Mayor Mundy asked City Engineer Brady if the 30-item list of street improvements equaled \$12 million.

City Engineer Brady said, in a way, yes.

Mr. Nicklas explained that some infrastructure like water and sewer and utilities are added.

Mayor Mundy asked if the list included a lot of Turner Addition.

City Engineer Brady said the list is from 1997 and is still valid because some of the streets have been completed, but others may be higher priority at this time. He said that Turner Addition has a lot of areas without curb and gutter and good drainage.

Aldersperson Neubauer said the list is 10 years old and asked if we are looking at a \$20 million dollar price tag. He said he noticed we were spending \$1 million on one block of California Street. He wanted to know what we would need to catch up and then what kind of money would be needed to keep up.

City Engineer Brady said the California Street project is very expensive and not the typical street maintenance project.

Mr. Nicklas said some significant reconstruction projects on the list that have been addressed and that would take the amount down to about \$7 million, but now we are back up to \$12 million as a 20% common sense guess.

Mayor Mundy said the assumption that street improvements have not been a priority is not true. He said in the 1970's and 1980's the City used 50% of the federal revenue sharing dollars for street maintenance and he is happy to see the City have more options for funding to be able to address street maintenance more aggressively.

Aldersperson Bauer said he would like to fix the streets and not raise taxes. He said they should be quick to resurface and not always reconstruct to make the money go further. He said he was thinking about an additional \$2 million per year to fix the streets, but does not know where to get it.

Aldersperson Neubauer agreed with not wanting to raise property taxes. He said he did not think they would find the willingness for SSA on existing neighborhoods. He said he thought they should increase the Home Rule Tax.

Aldersperson Kessler said she would agree to raise the Home Rule Tax by ½%, but would not agree with a Utility Tax. She said increasing the property tax would discount what previous Councils have tried to accomplish. She said she agrees street maintenance is the City's responsibility rather than imposing an SSA on existing neighborhoods and she thought an increase in the Telecommunication Tax would not generate enough money. She asked if there was some legislation in the works that might jeopardize our fuel tax agreements.

Mr. Nicklas said if the City's sales tax and ¾ % Home Rule Tax change the fuel contracts can be pulled. He said when the County talked about increasing the sales tax for the Jail Expansion, they drafted an agreement that was worked out with both airlines to rebate that increased amount. He said there is not a state bill or enactment that he is aware of, except the state legislature is looking at order accepting centers and he suspected there would always be people pushing for such a bill.

Aldersperson Kessler said she would want to have such an agreement with the airlines if the City increases the Home Rule Tax. She said she would like more information regarding an SSA for new subdivisions. She said she thought the Transportation Impact Fee had too many limitations.

Mayor Mundy said the estimated price tag of HB1429 with shared revenue is \$50 to \$70 million statewide so that legislation is not going away.

Aldersperson Stowe said emphatically, that he was not encouraging raising property tax; he just wanted to know the numbers.

Aldersperson Bauer said he thought ½ % increase in Home Rule Tax was fair. He said he thought it might be time to address a Utility Tax, but perhaps go with 2% and not the full 5%. He said he would like to keep property taxes down. He said the Transportation Impact Fee would be all right, but he did not think that would generate much money if they could not go back to already annexed properties.

Mr. Nicklas said it might apply to existing streets if it could be proved that new subdivisions affected them adversely or if a widening of an existing street was required for the new subdivision traffic.

Aldersperson Bauer said a lot of traffic occurred on Kishwaukee Drive and Parkside Drive for construction in Parkside Estates. He said he would like to know more about SSA in new subdivisions and felt the Telecommunication Tax would not raise enough dollars. He said he was open for other options such as gasoline tax or City vehicle stickers.

Mayor Mundy said to keep in mind that property tax is a regressive tax and was never based on the ability to pay. He said a more fair approach to funding are consumption fees. He said there is no way to limit a utility tax on any user and he was concerned about our heavy industrial users and suggested using extreme caution when discussing it.

Aldersperson Neubauer said that right now housing growth is slow, but that could change and he thought it would be prudent to start the proceedings now for Transportations Impact Fees and SSA for new development.

Aldersperson Kessler asked how the Transportation Impact Fee and the SSA play off each other.

Mr. Nicklas said the SSA has the potential to create more money because the Transportation Impact Fee is paid only once. He said whatever the sources of revenue they choose for the \$2 million or whatever number they come up with, he said they could leverage the dollars by doing some bonding with $\frac{1}{2}$ of the revenue to jump start the program and pay debt service for 15 years. He said they could use the other $\frac{1}{4}$ % for annual street maintenance.

Mayor Mundy said he agreed with Mr. Nicklas' approach because they do not know what revenue will be generated and they need to be able to pay the debt service.

Aldersperson Stowe said he agreed with increasing the Home Rule Tax, was unsure about the Utility Tax and Transportation Impact Fee, and felt the SSA for new development would be good for those areas only, did not think the Telecommunication Tax would raise enough money, and asked if they should look at Motor Fuel Tax.

Mr. Nicklas said they need to go through paperwork to use Motor Fuel Tax, but it can be used for street maintenance.

Aldersperson Bauer said he put a lot of thought into coming up with the number \$2 million dollars a year and he wants it to be new dollars.

Mayor Mundy said that Motor Fuel Tax dollars traditionally are used for project oriented money for large projects.

Aldersperson Paulsen said the SSA and Impact Fees would be at least six years out before collecting any dollars.

Aldersperson Kessler said to Chamber Representative Tim Beasley in the audience that the Council would like to have input from the Chamber.

Mayor Mundy added that, even beyond the Chamber, they would like input from the whole community. He said he would like to keep this an open and flowing discussion.

Aldersperson Neubauer said that whatever funding source they come up with those dollars need to be earmarked for street and sidewalk improvements.

Mr. Nicklas said a person new to this topic would ask why this was not done 10 years ago. He said population has been a part of that, growth of commercial businesses, and also because the City went for more than a generation without adding public safety officials and public service hiring. He said we have done significant hiring to meet new mandates and service needs.

Mayor Mundy said he would like to reserve further discussion on this topic until the October 15 meeting.

Mr. Nicklas said he would like to hold this over to the November 5th meeting to give other organizations and the public time for discussion.

Aldersperson Knuth said he would not raise property taxes, liked the idea of increasing the Home Rule Tax, was not opposed to a Utility Tax, thought the SSA looked interesting, and suggested parking meter rate increases.

OTHER NEW BUSINESS

APPOINTMENTS

ADJOURNMENT

Motion

Aldersperson Stowe moved to adjourn the meeting at 9:02 p.m. and Aldersperson Neubauer seconded the motion.

Aldersperson Kessler noted the October 4th meeting.

Mr. Nicklas said Thursday would be the first of three meetings for an open house regarding the Comprehensive Plan revision. He said the point of the meetings is to listen to the public.

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