

**SYCAMORE CITY COUNCIL
AGENDA
March 17, 2008**

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 March 3, 2008.
 - B.** Payment of the Bills for March 17, 2008.
- 7. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A.** Presentation by Joyce Mathey on the occasion of the third anniversary of the Pay-It-Forward House. Mrs. Mathey will review the facility's services and invite the Council and all interested residents to an anniversary open house on Sunday, March 30.
- 8. REPORTS OF OFFICERS**
- 9. REPORTS OF STANDING COMMITTEES**
- 10. PUBLIC HEARINGS--None**

11. ORDINANCES--None

12. RESOLUTIONS--None

13. CONSIDERATIONS

A. Consideration of the Preliminary FY2008-2009 City Budget.

The City Manager has distributed copies of the proposed FY2008-2009 City Budget to the City Council. Copies have been distributed to the local media and a copy has been placed in the reference section of the Sycamore Public Library where it is on record for interested citizens to review. Copies may also be purchased at cost from the City Clerk.

The proposed FY2008-2009 City Budget will simply be received and filed on March 17. A special Council Finance Committee workshop will be convened at 7:00 p.m. in the Council Chambers on Wednesday, March 19 to review the budget document. All Council members are welcome to attend and participate as in previous years. On March 19 the General Fund departments will be reviewed as well as the Water and Sewer Fund budgets. The City's department heads will be on hand to assist the City Manager in this review. If these department budgets are covered to the Council's satisfaction on March 19, the Committee will be asked to review the special, capital, and bond funds as well. If time does not permit the full review of the special, capital, and bond funds on March 19, the Committee will continue its work on Thursday, March 20. A public hearing on the proposed budget, which may be revised following the Finance Committee workshops, will be held on Monday, April 7 and action on the budget will be recommended on Monday, April 21.

B. Consideration of an Extension to the Contract Between the City of Sycamore and the Sycamore Chamber of Commerce for Visitor Attraction and Economic Development.

The three-year contract between the City of Sycamore and the Sycamore Chamber of Commerce for tourism and community development services ends on April 30. During the past three years, the Chamber has been committed to the following services:

- 1) Maintaining a professional staff including a full-time executive director and Discover Sycamore Director to maintain a visitor attraction program and to assist the City in its business attraction efforts.
- 2) Providing oral presentations to the City Council twice a year regarding ongoing tourism and community development activities of the Chamber.
- 3) Providing quarterly reports to the City Manager identifying (a) efforts to market Sycamore to visitors; (b) the impact of sponsored events in drawing day trippers or overnight guests to Sycamore; and (c) the number and nature of inquiries concerning available Sycamore retail space.
- 4) Maintaining a current database concerning downtown Sycamore office and retail space including available space, rent per square foot, associated utility costs, and contact persons.

- 5) Providing advice and assistance to the City on business and industry retention matters. This means informing the City Manager of any confirmed intentions of local businesses to expand or relocate as soon as they are learned.

The City's obligations have included the following:

- 1) Providing the Chamber a grant of Forty-five Thousand Dollars (\$45,000.00) payable in two equal installments to partially offset the cost of a full-time downtown coordinator (\$15,000) and to help finance a variety of marketing and advertising brochures aimed at attracting visitors to Sycamore.
- 2) The referral of retail prospects to the Chamber for further information about vacant downtown storefronts and other retail locations.
- 3) Informing the Chamber as soon as practicable about any likely changes in the City's tax policy, retention policy, incentive policy, and any other policies that may be critical to the Chamber's business attraction and retention efforts. Toward this end, regular contact is maintained between the City Manager and the Chamber staff, and the City Manager sits as an ex officio member of the Chamber Board of Directors (the School District and Park District also have ex officio representatives on the Chamber board).
- 4) Work cooperatively with the Chamber to help expand its funding base through public grant sources. This assistance typically takes the form of information regarding the City's demographics and its attractions.

The Chamber Board of Directors is requesting a new three-year contract toward essentially the same ends. However, since people are more inclined to query internet web sites to learn more about our community, the Chamber board and staff hope to enhance and maintain a more dynamic web presence. Such marketing will involve a more significant and ongoing investment in web page development. The attached contract proposes an additional \$5,000 per year (for a total of \$50,000 per year) to partially offset this ongoing marketing investment, and to maintain the funding of about one-half of the staff costs for the Discover Group coordinator and allied staff support which has increased in the past three years.

The City Manager recommends the Council's support for this important ongoing relationship, and for the proposed contractual framework.

C. Consideration of a Recommendation from the Building & Zoning Department to Revise Water and Sewer Connection Fees for Commercial and Industrial Uses.

In the past few months, the Building & Zoning department has received permit requests from a number of commercial businesses seeking to locate in Sycamore or expand in Sycamore. In calculating the appropriate permit costs for these ventures, Building Commissioner Lyle Doty has discovered that the particular uses would incur water and sewer connection fees out of proportion to their impact on the water and sewer systems, even with the credits for job creation that have been a part of the fee system since the 1990s. This is especially the case since new federal and state standards require low flush toilets and other plumbing features that dramatically reduce flow in comparison with what was commonplace when the fee schedule was first enacted.

This unforeseen dilemma has become more apparent in recent months because of the increased commercial interest in Sycamore’s Bethany Road corridor and nearby commercial strip centers. As Mr. Doty reported at a recent Council meeting, a record number (66) of commercial starts occurred in Sycamore in 2007 (see the attached historical spreadsheet). To avoid discouraging this promising trend, Mr. Doty has reviewed the pertinent fee schedule in the City Code (Section 8-4-2, C, 5) and recommends some revisions that parallel certain features of the City’s incentive policy for industrial starts, which also favors job creation.

The best way to illustrate the dilemmas that have recently arisen and to demonstrate the proposed solution is to provide several examples. The first example shows the connection fees for a new hair salon; the second example illustrates the impact of the present fee schedule on a new outpatient medical clinic. The hair salon is in a new strip center and receives some credit for job creation throughout the center. *In each case, the fees that are shown do not include the additional building inspection and plan review fees, which are not in question.*

Example A: Hair Salon*

	Existing Fee Schedule	Proposed Fee Schedule
Water Connection Fee	\$1,496	\$792
Sewer Connection Fee	\$2,678	\$1,418

*Includes “credit” for 5 full-time jobs and 7 part-time jobs retained in Sycamore

Example B: Outpatient Medical Clinic*

	Existing Fee Schedule	Proposed Fee Schedule
Water Connection Fee	\$16,192	\$4,013
Sewer Connection Fee	\$28,980	\$7,182

*Includes “credit” for 150 new jobs created

The following chart compares the proposed schedule of unit values with the existing schedule for a selection of commercial uses:

Use of Building	Measurement	Existing No. of Units at \$630 per unit	Proposed No. of Units at \$630 per unit
Automatic Car Wash	Each production line	20	20
	Each public toilet:		
	No more than 3	3	2
Clubs, Theaters	Each additional	1	1
	Each public toilet:		
	No more than 3	3	3
Coin-operated Laundries	Each additional	1	1
	Each automatic washer unit	2	2
	Each public toilet:		
	No more than 3	3	2
	Each additional	1	1

Motels and Hotels	Each room with bath or shower and/or toilet	2	2
	Each public toilet:		
	No more than 3	3	2
	Each additional	1	1
Restaurants	Food service capacity:		
	0-50	4	4
	50-100	8	8
	100-200	12	12
	Each private toilet:		
	No more than 3	2	2
	Each additional	1	1
	Each public toilet:		
	No more than 3	3	2
	Each additional	1	1
Office and Mercantile Buildings			
	Each private toilet:		
	No more than 3	2	2
	Each additional	1	1
	Each public toilet:		
	No more than 3	3	2
	Each additional	2	1

In the proposed schedule, “Assembly” uses such as theaters and restaurants with continual toilet use generally do not receive a reduction in unit values.

The approach outlined above does not “forgive” the obligation of all commercial occupancies to contribute toward long-term improvements in the water and wastewater treatment systems. It also maintains the factor of \$630 per plumbing opening for the calculation of water connection fees and \$352 per plumbing opening for the calculation of sewer connection fees. However, the modification of the unit values in the fee schedule takes into account that all fixtures are not running simultaneously, and that each flush fixture is a low-flow device.

The modifications also increase the maximum credit for job creation to 90% from 75%, which is consistent with the City’s tax abatement schedule. The tax abatement schedule offers a maximum of 90% credit in the first full year of operation, when the benefit is most desired. Tax abatements are not offered to commercial firms and the staff do not propose any change in this policy. The proposed changes in the code language are highlighted in bold type:

“Any business or manufacturer shall be entitled to a reduction of the sewer and water connection fees required hereunder, with a maximum allowable reduction of **ninety percent (90%)** [formerly 75%]. The reduction shall be based on the following formula. There shall be a reduction for full

time jobs created or retained as follows: The first five (5) full time jobs created or retained shall be granted a nine percent (9%) reduction per job, the balance of full time employees to the maximum of **ninety** percent (**90%**) [formerly 75%] shall be granted a six percent (6%) reduction per job created or retained. There shall be a reduction for part time jobs as follows: the first five (5) part time jobs shall be granted a five percent (5%) reduction per job . . .”

If the Council concurs, a modified fee schedule can be prepared for the next Council meeting. None of the changes would affect the present residential fee schedule.

City Council direction is requested.

D. Consideration of a Recommendation from the Fire Department to Revise the City’s Ambulance Fees.

Fire Chief Bill Riddle and Assistant Fire Chief Mark Kessler have recommended a revision of the City’s ambulance fee system and a new approach to the billing of ambulance fees. A report in behalf of each proposition is attached. A summary of the proposed fee increases and billing approach follows.

Ambulance Fees

The City’s ambulance fees were last revised on April 1, 2002 (Ordinance 2001.81). The increase took into account the City’s evolution toward a paramedic (ALS) ambulance service and federal mandates that prohibited hospitals from exchanging or giving medical supplies to ambulance crews, which increased the average cost per ride by about \$25 at the time. The fee history up to that time is shown in the table below:

Year	Resident Rate*	Non-Resident Rate	Mileage Rate and Comments
1976	No fee	No fee	\$1.50 per mile to out of area hospitals
1982	No fee	\$40	\$1.50 per mile to out of area hospitals
1990	\$40	\$80	\$1.50 per mile to out of area hospitals
1992	\$70	\$175	\$2.00 per mile to out of area hospitals
1995	\$125	\$230	\$2.00 per mile to out of area hospitals
1997	\$150	\$300	\$2.00 per mile to out of area hospitals
1998	\$150	\$300	\$2.00 per mile to out of area hospitals
2002	ALS: \$350 BLS: \$225	ALS: \$425 BLS: 325	\$2.00 per mile to out of area hospitals

*Residents of the Sycamore Fire Protection District were charged resident rates until 1998.

Chief Riddle and Assistant Chief Kessler have compared Sycamore’s rates with 19 other communities and various private ambulance services (see the attached table). A comparison of Sycamore’s rates with our closest geographic neighbor is shown in the table below:

2007 Ambulance Fees						
	Mileage*	Resident BLS	Resident ALS	Non-Resident BLS	Non-Resident ALS	ALS 2 Res./Non-Res.
DeKalb	\$6.50	\$335	\$442	\$493	\$627	\$600/\$866
Sycamore	\$2.00	\$225	\$350	\$325	\$425	\$350/\$425

*Sycamore only charges for “loaded” miles when taking patients to a hospital out of the area; there is no charge for mileage to Kishwaukee Hospital.

The new 2008 DeKalb rates are as follows:

- Resident: \$365/435 (BLS/ALS)
- Non-Resident: \$530/\$630 (BLS/ALS)

In 2007, 70% of the Fire department’s calls were for EMS service (1,425 out of 2,037 calls). The City billed for \$333,265 and through January 1, 2008 received \$212,000. It is estimated that the City’s collection efforts with insurers and former patients will raise that total to about \$260,000 by the end of this fiscal year (April 30). The expected collection rate of about 78% is higher than the national average--about 65%--for this service. Despite the City’s relatively high collection rate, the total expected reimbursement will represent only 12% of the Fire department’s FY08 budget of \$2,171,788. In addition to patient fees, the City receives \$149,999 from the Sycamore Fire Protection District for ambulance services and about \$15,000 annually from three trust funds established to help offset the cost of transporting persons with no or very limited means of income. When all present revenue sources are combined, the department’s EMS services generate about \$424,999 in fees, dedicated property tax revenues from the Fire Protection District, and trust fund interest. This represents about 20% of the City’s departmental costs in FY08—well short of the total City allocation for personnel and non-personnel costs relating to EMS services.

It should also be noted that the City’s present rates are below the customary rates reimbursed by private insurance carriers.

The City Manager recommends an across-the-board 20% increase in ambulance fees as shown in the table below. Such an increase would raise the cost of the more typical “ALS Resident” patient run to a level comparable to other communities in the area. The present Sycamore fees and other possible increases—as well as the DeKalb fees—are also shown:

Type of Service*	SYCM 2007	+20%	+25%	+30%	DKLB
BLS Resident	\$225	\$270	\$281	\$293	\$365
ALS Resident	\$350	\$420	\$438	\$455	\$435
BLS Non-Resident	\$325	\$390	\$406	\$423	\$530
ALS Non-Resident	\$425	\$510	\$531	\$553	\$630

*“BLS” means basic life support; “ALS” means advanced life support. A “BLS” billing would not involve certain procedures that can only be administered by a paramedic. These distinctions are made by the supervising lieutenant in the run reports.

A 20% increase since mid-2002 would scarcely offset the inflationary increase for the same period. However, these are not ordinary economic times. It is recommended that this increase go into effect on May 1, and that the Fire department should track the fiscal impact of the increase through December 2008 and report its findings to the Council in January 2009.

Ambulance Billing System

Presently, the Fire department and the City’s Finance office participate in the ambulance billing system. The Fire department shifts provide the departmental secretary with information about ambulance runs, and the secretary enters patient data in an electronic filing system. The departmental secretary also verifies information with the receiving hospital and patients and files for Medicare and Medicaid benefits, where applicable. The Finance office’s receivables clerk generates the patient bills, reviews insurance claims, and supervises account collections. About 40% of each employee’s week is dedicated toward ambulance billing matters. The proportion of each employee’s day devoted to ambulance billing has increased in recent years as insurance filing has become more complex. The electronic filing and coding of Medicare/Medicaid reports for the many patients eligible for these benefits (about 70% of all patients transported) has significantly contributed to this allocation of time. In addition, since the Fire department’s principal duty is to render aid quickly and effectively, it is department policy to rush patients to the hospital without creating delays to gather information that a clerk or secretary will later have to track down. As a result, substantial followup is required. The City’s diligent efforts to collect some part of the difference between insured liabilities and uninsured costs leads to additional staff efforts.

Chief Riddle and Assistant Chief Kessler recommend a new billing approach. Since much of the patient data is retrieved from the receiving hospital which is typically Kishwaukee Hospital, it is recommended that the City change to a new approach that “outsources” the patient billing to Kishwaukee Hospital. This approach would also speed the sending of the bills to the patient or their submission to a private carrier. Based on the number of ambulance runs in 2007, the estimated cost of this service would be about \$20,000. The City would still participate in the collection of past due accounts after insurance coverage is determined, because the City’s diligent and low-key efforts in this regard have been quite effective. If the City were to follow this approach, the cost would be offset by the proposed ambulance fee revisions.

The City Manager supports this recommendation. City Council direction is requested.

E. Consideration of an Administration Request for a Closed Session to Discuss Personnel Matters.

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