

SYCAMORE CITY COUNCIL
AGENDA
April 7, 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 17, 2008.
 - B. Payment of the Bills for April 7, 2008.
 - C. Budget Report for March, 2008.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
8. **REPORTS OF OFFICERS**
9. **REPORTS OF STANDING COMMITTEES**
10. **PUBLIC HEARINGS**
 - A. **Public Hearing on the Proposed FY2008-2009 City Budget.**

The proposed Fiscal Year 2008-2009 City Budget is offered for public review and comment. A copy is available for viewing in the Sycamore Public Library and copies can also be made through the City Manager's Office. The City Council Finance Committee, under the chairmanship of First Ward Alderman Alan Bauer, reviewed this document on March 19 and recommended it to the Council with minor revisions. The draft on view incorporates those recommended revisions.

Spending within the FY2009 Budget totals \$49,943,324 inclusive of all City funds. The General Fund expenditure budget totals \$12,106,913. These expenditures are offset by \$12,134,469 in anticipated General Fund revenues. The estimated General Fund operating reserve or starting fund balance will total \$4,356,271 or 36% percent of the planned General Fund expenditures for FY2009.

No new taxes or fees are proposed for operational purposes in the General Fund budget. In January 2008 the City Council voted to increase the City's home rule tax from .75% to 1.25% to partially fund an expanded street maintenance program (Ordinance 2007.40). The Council also imposed a 2 cent per gallon gasoline tax for the same purpose (Ordinance 2007.41). The combined revenues from the additional ½% in the home rule tax rate and the new gasoline tax will be deposited in a new street maintenance fund (Fund 30) and will be used exclusively for street repair and reconstruction.

The proposed General Fund expenditures include the hire of one new police officer after August 1, 2008. This new officer will ensure that seven officers are assigned to each shift, which means that a minimum of three patrol officers are on duty 24 hours a day, seven days a week. No other hires are proposed in light of sagging local sales tax revenues and substantially lower fees derived from local housing development.

A number of hiring priorities are not supportable in terms of projected revenues in FY2009 but will need to be addressed in FY2010. These unfunded priorities include:

- A Street Division laborer;
- A seventh Fire lieutenant and replacement firefighter;
- The upgrade of the part-time custodian position to full-time status;
- One full-time School Resource Officer (Police).

Wage and salary expenditures will incorporate union contractual increases and management pay increases of 4 percent.

Other significant General Fund expenditures include the following:

- Debt service of \$555,000 to fund the principal and interest on the 2007 general obligation bond (\$200,000); 2005 refunding bond (\$155,000); and the 2002 general obligation bond (\$200,000).
- An allocation of \$120,000 (513-8493) to pay the FY08 sales tax rebates to Sycamore Ford and Brian Bemis World Auto.
- An increase of 15% in health insurance premiums and about 20% in worker comp costs;
- A reserve transfer of \$50,000 to the Employee Benefit Assistance Fund (Fund 23) for accrued leave payouts at the time of the retirement of several senior employees in 2008.

In FY2009 the capital and special funds are all balanced with appropriate reserves. The FY2009 Budget proposes a very ambitious three-year capital spending program totaling \$24,137,000 but involving no increase in the City's portion of the aggregate property tax. Excluding monies set aside for the replacement of operational equipment and vehicles and public building improvements (\$4,237,600), approximately \$19,899,400 or 82.4% is dedicated toward the repair or enhancement of City infrastructure. The FY09 portion of this capital program totals \$8,662,700. Highlights of the FY09 capital program are listed below:

- Reconstruction of the 100 block of S. Main Street: \$700,000.
- Resurfacing of State Street, Main to Locust, with streetscape features: \$275,000.
- Street maintenance program: \$550,000 (\$150,000 from the new Street Maintenance Fund; \$200,000 from the Sales Tax Distributive Fund; \$100,000 contributed by the Capital Fund, and \$100,000 from the Motor Fuel Tax Fund). This assumes the letting of a street maintenance contract in the August-September period, when new revenues from the increased home rule tax proceeds and new gasoline tax have had only a few months to accrue.
- The construction of a 1 million gallon elevated water storage tank at the Engh Farm: \$2,750,000.
- Engineering for Phase I of the treatment plant expansion: \$510,000.
- Installation of new de-watering facilities and a new bar screen at the Treatment Plant as part of Phase I: \$2,500,000.
- Sidewalk replacement on Commercial Street: \$150,000.
- Mitigation of contaminated soils at the Harvester Square complex: \$150,000.
- Funding for Phase II of the paving and storm sewer work for the Peace Road bikepath from Bethany Road to IL. Rt. 64: \$165,000.
- Vehicle and equipment replacement including two police squad replacements, a large dump truck, ¾ ton pickup, lap tops for the Police squads, thermal image cameras for two fire engines, air pack replacements, a replacement SUV for the Building department, etc.: \$271,200.
- A new Elgin street sweeper: \$150,000.
- Plans for a Public Safety building addition (Police): \$175,000.

Since our general revenues provide a steady share of the funds necessary to pay for the maintenance of our infrastructure, economic development is critical to the City. Sales and use tax proceeds, rather than property taxes, fines, or fees, are the principal source of our general revenues. Without fiscal strength in the form of strong general revenues, our municipal organization will not adequately satisfy the sometimes competing public expectations for more service and more capital improvements.

In the period from May 1, 2008 through April 30, 2009 the City's Water Fund, Water Impact Fee Fund, Sewer Fund and Sewer Impact Fee Fund will shoulder a very substantial portion of the financing of several big-ticket capital improvements. For example, the Water Fund reserve and Water Impact Fee Fund will underwrite the greater share of the engineering and construction of the City's second water tower, based on a feasibility study and preliminary engineering funded by the Water Impact Fee Fund in FY08. It should also

be noted that the Water Fund reserve and Water Impact Fee Fund financed the greater share of the installation of radium treatment facilities at Wells 6, 8, & 9 in FY08.

Coincident with this initiative, the Sewer Fund reserve and Sewer Impact Fee Fund will be tapped in the period FY2009-FY2011 for the planned treatment plant upgrade and expansion, which will cost approximately \$15.4 million upon completion. In FY09, the preliminary engineering for Phase I of this ambitious undertaking will be largely completed and the Phase I construction will be well underway. The focus of Phase I will be the installation of mechanical systems to remove water from the sludge created in the wastewater treatment process.

While deferring some operational needs and capital projects on our staff “wish list,” the FY2009 Budget envisions a wide range of services. As in previous years, the City’s very dedicated and highly competent work force is the key to the local government’s ability to stretch our services while measuring our resources.

Action on the proposed FY2008-2009 City Budget will be taken by the City Council on April 21, 2008.

11. **ORDINANCES**

A. Ordinance No. 2007.63—An Ordinance Approving an Agreement Between the City of Sycamore, Illinois and the Sycamore Chamber of Commerce for Visitor Attraction and Business Retention Services, FY2009-FY2011. First and Second Reading.

At the March 17 City Council meeting, the Council voiced its strong support for the renewal of its multi-year contract with the Sycamore Chamber of Commerce for tourism and community development services. The attached contract will implement such a contractual relationship for the period 2008-2011. The principal terms are outlined below:

The Sycamore Chamber shall:

- 1) Maintain 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) Provide oral presentations to the City Council twice a year regarding ongoing tourism and community development activities of the Chamber.
- 3) Provide 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) Maintain a current database concerning downtown Sycamore office and retail space including available space, rent per square foot, associated utility costs, and contact persons.
- 5) Provide 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 of Sycamore shall:

- 1) Provide the Chamber a grant of Fifty Thousand Dollars (\$50,000.00) 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) Refer retail prospects to the Chamber for further information about vacant downtown storefronts and other retail locations.
- 3) Inform 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 shall be maintained between the City Manager and the Chamber staff, and the City Manager shall sit 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.

City Council approval of this three-year contract is recommended.

B. Ordinance No. 2007.64—An Ordinance Concerning the Recommendation of the Sycamore Zoning Board of Appeals with Regard to the Petition of Mike Conro for a Variance from Article 6.2.1.D.4 and Article 6.2.1.C.2 of the Unified Development Ordinance. First and Second Reading.

On Tuesday, March 25, the Sycamore Zoning Board of Appeals met to hear a variance petition from Mike Conro of 224 May Street. In his petition, Mr. Conro asked for relief from the provisions of Article 6.2.1.D.4 and 6.2.1.C.2 to allow a garage (i.e. accessory structure) to be larger than 8% of the total lot area with zero clearance to the side property line. In his presentation to the Board, Mr. Conro noted that the City Council had recently re-zoned his property from "M-1" Light Manufacturing to "R-2" Two Family Residence (Ordinance 2007.56, February 18, 2008). This re-zoning was consistent with the established use of his lot, which had featured a single-family home and large detached garage for generations. At the time of the rezoning, both the Plan Commission and the Council reasoned that such a residential designation was more consistent with the predominant residential zoning to the south and east.

Although the re-zoning would permit the construction of a residential garage on the lot, Mr. Conro found himself in a conundrum. His intent is to raze the legal but non-conforming dilapidated garage on the concrete slab behind his home and to build a new two-and-a-half car garage on the same slab. However, because the existing garage does not conform to the UDO provisions for sizing on his small lot, the demolition of the present accessory structure and the construction of a new garage of the same general dimensions would be illegal and non-conforming. The Zoning Board reasoned that the UDO provisions correctly place parameters on the sizing and location of accessory structures. However, in this particular and unique instance, the application of the UDO's provisions would discourage a homeowner from making an improvement to a non-conforming structure that would enhance the appearance of the immediate neighborhood without (a) denying adequate light and air to

adjacent properties or (b) altering the essential character of the neighborhood, and would mitigate an economic hardship in terms of assessed valuation that would arise if Mr. Conro could not improve his property. By a vote of 5-0, the Board recommended the Council's approval of this variance request.

City Council approval of the Zoning Board's recommendation is requested.

C. Ordinance No. 2007.65—An Ordinance Amending Title 6, “Motor Vehicles and Traffic,” Chapter 3, “Parking Meters and Parking Lots,” Section 6-3-4, “Use of Meters,” of the City Code of the City of Sycamore, Illinois. First Reading.

Sycamore's “penny” parking meters have been noteworthy for many years. In an era when most municipal parking meters provide 15 minutes of time for one quarter, the City's meters still offer 12 minutes of parking for one penny and one hour for a nickel. This ordinance will not change the parking fee requirements. However, it will change the initial fine for failing to feed the meter, as well as the second fine issued on the same day. If approved, the initial fine would be increased from twenty-five cents to \$1.00, and the second fine would be increased from \$1 to \$2. The third fine issued on the same day presently costs \$3 and that would stay the same.

The proposed increase is intended to encourage more turnover in prime downtown spaces that are currently dominated by office workers who calculate that it is preferable to pay minimal fines each day than to walk to and from more remote metered spaces in outlying public lots. This practice diminishes the number of on-street metered spaces available for shoppers and visitors to our downtown stores and businesses.

The City Manager proposes the Council's consideration on first reading only to allow for more public discussion and response from downtown businesses.

D. Ordinance No. 2007.66—An Ordinance Amending Title 6, “Motor Vehicles and Traffic,” Chapter 2, “Parking Regulations,” by Inserting Section 11, “Vehicle Immobilization and Impoundment,” of the City Code of the City of Sycamore, Illinois. First Reading.

The topic of parking fines provides the background to this ordinance as well, although enforcement is the focus. It is difficult to imagine how the City's parking fine and fee system, which involves the lowest costs in the area, can generate “scofflaw” accounts approaching \$1,000. Nevertheless, at present there are 14 vehicle owners with parking fine debts of at least \$250. Two vehicle owners have run up over \$1,000 in fines and penalties. Though the names may change, at any one time there has typically been a dozen or so vehicle owners with fines in excess of \$250.00 under the current City enforcement system. Since 2006, our city attorneys have filed judgments against six offenders who have incurred unpaid fines and penalties above that threshold.

How does this happen? It is not because City officials fail to give due attention to such fines. To the contrary, a rather extended legal process is followed with each unpaid violation. Written notices are sent from the City to offenders each time a fine threshold is reached. This means that if an offender does not pay within seven (7) days of the date of the overtime

parking, a written notice is sent, and additional written notices are sent after fourteen (14) days, thirty (30) days, and sixty (60) days. After sixty days, the maximum fine by ordinance is \$50.00 per ticket. To accrue more than \$50 in outstanding parking fines, multiple tickets have to be ignored or left unpaid.

The attached ordinance would permit the Police department to apply a “boot” that immobilizes a vehicle in the event that an offender has accumulated at least five tickets that remain unpaid and no less than \$250 in unpaid fines. Prior to applying the immobilizing device, additional written notice would be required. Notice of an impending immobilization would be sent by certified mail to the registered vehicle owner by first class mail. In addition, if a vehicle owner responds by requesting a hearing, such a hearing would be conducted by the Chief of Police. Types of evidence that would disprove the vehicle owner’s liability for immobilization would include (a) verification that the owner or lessee of the vehicle in question was not the owner at the time the tickets were issued, and (b) verification that the fines cited in the written notice were paid.

Once immobilized or “booted,” a notice would be affixed to the vehicle in a prominent location to warn that the vehicle would be towed within 72 hours. In this time frame, the vehicle owner can pay all outstanding fines and penalties in full and the boot will be removed. If such fines and penalties are not paid within 72 hours, the vehicle will be towed. Thereafter, the vehicle owner would not be able to reclaim the vehicle until all fines and penalties were paid in addition to all towing fees and impound fees, plus a \$50 immobilization fee.

The City Manager recommends the Council’s consideration on first reading only, to allow for broad public discussion.

E. Ordinance No. 2007.67—An Ordinance Amending Title 4, “Public Health and Safety,” Chapter 1, “Fire Department,” Section 4-1-7, “Ambulance Service,” of the City Code of the City of Sycamore, Illinois. First Reading.

At the last regular City Council meeting of March 17, the Council supported a Fire department proposal to increase ambulance fees, with minor revision. The attached ordinance would increase ambulance fees as follows:

Type of Service	New Fee	Current Fee	% Increase
BLS Resident	\$293	\$225	+30%
ALS Resident	\$420	\$350	+20%
BLS Non-Resident	\$423	\$325	+30%
ALS Non-Resident	\$553	\$425	+30%
ALS2 Resident	\$500	\$350	+43%
ALS2 Non-Resident	\$800	\$425	+88%

According to Fire department records, the “ALS2” fee is charged to about 10 patients a year who require extraordinary heroic measures in consultation with the serving hospital.

The proposed ordinance also doubles the transfer fee from \$2 to \$4 per mile for all transports (Section 4-1-7, B, 3, 5).

Sycamore’s ambulance fee history 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.

A comparison of Sycamore’s present rates with those of our closest geographical neighbor is shown below:

2007 Ambulance Fees						
	Mileage*	Resident BLS	Resident ALS	Non-Resident BLS	Non-Resident ALS	ALS 2 Res./Non-Res.
DeKalb	\$6.50	\$365	\$435	\$530	\$630	\$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.

City Council consideration on first reading is requested.

F. Ordinance No. 2007.68—An Ordinance Amending Title 8, “Water and Sewer,” Chapter 4, “Sewer Use and Service,” Section 8-4-2, “Sewer Connection Charges,” Subsection 8-4-2, C, “Connection Fees and Unit Charges,” of the City Code of the City of Sycamore, Illinois. First Reading.

At the March 17 meeting, the City Council also reviewed an Administration proposal to modify the application of the City water and sewer connection fees on commercial and industrial users that do not impose a significant impact on the City’s utility systems. The changes would bring a more balanced proportionality where conservation measures already offset impacts resulting from infrequent fixture use.

As reported at the March 17 meeting, the specific categories that would change are highlighted in the table below:

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

In addition, the staff proposal of March 17 included an increase in 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 . . .”

City Council consideration on first reading is recommended.

12. RESOLUTIONS--None

13. CONSIDERATIONS

A. Request for Council Direction Regarding the Extension of a Professional Services Contract with the Daley Policy Group.

In August 2007 the Council voted to suspend the City’s contract with the Daley Policy Group for soliciting federal support for a variety of infrastructure repairs. When the City entered its first contract with the Daley Group in June 2005 the federal transportation reauthorization legislation had been passed, but it was felt that some federal grant monies might be obtained for qualified Sycamore projects through “earmarks” and uncommitted federal funds. Among the key projects of interest were the widening and reconstruction of Bethany Road from Peace Road to Somonauk Street (\$3.5 million) and the completion of the environmental cleanup at the South Avenue brownfield site (\$300,000). By the summer of 2007, no federal grants had been received and it had become clear that the Congressional stalemate over budget initiatives in general and the distractions of the evolving presidential campaign made it unlikely that Sycamore’s projects would be recognized as prime projects for federal attention. Accordingly, the lobbying contract was suspended until the nationwide jockeying by municipal authorities might begin for a place in the five-year federal transportation reauthorization bill, which primarily qualifies projects on their merits and is the focus of intense constituency competition nationwide. The strategic moment for registering any qualified city projects will approach this fall when the President submits his final budget. The new Congress that sits in January 2009 will take up that budget and its own reauthorization bill.

Patricia Daley, a principal of the consulting firm, will be on hand on April 7 to further discuss the federal timeline for project inclusion, and suggest some options for the best investment of any City funds the Council might consider investing in a new lobbying effort.

B. Consideration of an Administration Report on Options for the Use of the City’s Private Activity Bond Volume Cap for the Year 2008.

The Illinois Housing Development Authority (IHDA) annually sponsors a mortgage credit certificate program that allows qualified first-time homebuyers to take 20% (formerly 25%) of the annual interest paid on their new mortgage as a credit against their federal income tax

liability. The qualifying income levels are set each year and vary depending on the household size. This year, the upper income limit for a family of three or more in DeKalb County is \$79,120. For a household of one or two persons, the upper qualifying limit is \$68,800. The program also sets upper limits on home prices. This year, the upper limit on a new or an existing home is \$325,890.

The lending bank typically acts as the intermediary with IHDA. At the time a home is purchased, a certificate is issued to the homeowner. This certificate is filed with the homeowner's income tax to establish the credit. For example, say a buyer takes out a \$95,000 conventional market rate mortgage at 7.5%. On a 30-year fixed rate loan, the buyer would pay \$7,125 in mortgage interest in year one. With a mortgage credit certificate, the buyer can take 20% (\$1,425) off his or her yearly federal income tax obligation while maintaining a standard mortgage interest deduction for the remaining 80 percent of the annual interest obligation. This is the same as retaining \$118.75 in additional income per month. Over the life of the loan, the buyer could save \$42,750 in federal taxes.

The MCC tax credit is good for the life of the loan, so the tax saving is repeated so long as the family remains in the home. In addition to the direct benefit to the homebuyer, the program provides an incentive for local families to buy a home in Sycamore.

The mortgage credit certificate program brings no direct expense to local taxpayers and involves no staff work. IHDA and participating banks do all the paperwork, although the City may wish to assist in advertising the option. The volume cap is used exclusively by Sycamore residents for 18 months, and IHDA provides quarterly reports on the number of participating families, the average purchase price of the homes, and the amount of credits remaining.

The advantage of this program for prospective homebuyers with low to moderate household incomes is obvious. It should also be noted that a commitment of private bond authority to the IHDA program would not preclude the City from dedicating next year's volume cap to industrial revenue bonds if a worthwhile project develops.

The only downside to the mortgage credit certificate program is the limited number of families that can benefit under the City's modest cap. **In 2008, the City's "authority" will be \$85 per capita or \$1,263,610 based on a Census-based population of 14,866.** Based on the average purchase price of \$223,397 for all homes--new and used—sold in Sycamore in 2007 (Board of Realtors estimate), and an average down payment of 20%, only 7 Sycamore families might qualify. A favorable City Council recommendation is requested.

C. Consideration of an Administration Request for a Closed Session to Discuss Collective Bargaining.

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