

SYCAMORE CITY COUNCIL
AGENDA
December 1, 2008

CITY COUNCIL COMMITTEE MEETINGS
No Meetings Are Scheduled

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 November 17, 2008.
 - B. Payment of the Bills for December 1, 2008.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. Proclamation declaring the month of December 2008 as Drunk and Drugged Driving (3D) Prevention Month in the City of Sycamore, Illinois.
 - B. Introduction of John Husk of Elburn Cooperative Co., 108 N. Main Street, by Mayor Ken Mundy of Sycamore's Economic Development Committee. Mr. Husk will briefly describe his firm's services.
 - C. Introduction of new paid-on call college interns Trevor Chilton, Tim Getzelman, and Erik Selig.
8. **REPORTS OF OFFICERS**
9. **REPORTS OF STANDING COMMITTEES**

10. PUBLIC HEARINGS

A. Public Hearing on the Proposed 2008 Corporate Levy.

At the regular City Council meeting of November 17, 2008, the Sycamore City Council directed the City Manager to prepare ordinances that would establish the 2008 City property tax levy and abate debt service on certain outstanding bond issues. Ordinances 2008.52 through 2008.58, below, are offered pursuant to this direction. Each is presented for first reading only to give the public an opportunity to be heard on the basic levy issues and to consider the enactments that address them. Unless the Council directs otherwise, a second reading will be held on these ordinances on December 15.

On November 17, the City Council directed the City Manager to prepare ordinances to increase the City levy by 3.5% and the Sycamore Library levy by 6.6%. The total property taxes to be levied for the corporate purposes of the City of Sycamore (the City and the Library levies combined) for 2008 would be \$3,362,663, an increase of \$136,598 (4.2%) over the corporate levy of \$3,226,065 in 2007. It is estimated that the CPI-based rate of inflation for the northern Illinois area in 2008 will show an increase of about 4.8% in 2008. The resulting corporate tax rate should decrease by about 2.2%--from 0.78518 per \$100 EAV in 2007 to 0.76773 per \$100 EAV in 2008. This should result in a slight reduction in the actual tax dollars paid by local residences and businesses to the City, so long as no substantial improvements were made to their real estate in 2008 and the township multiplier does not increase their property's base EAV.

What about the City portion of the levy? Based upon an estimated City-wide EAV of \$438,000,000 in 2008, the proposed City levy of \$2,548,176 should result in a City tax rate of \$0.58178 per \$100 EAV, a decrease of 3% from the 2007 City tax rate of \$0.59965 per \$100 EAV and the lowest City rate since 1960. In fact, the City's tax rate has been reduced by more than half over the past eleven years! The tables below illustrate the recent history of City levies along with the breakdown of operational and pension obligations:

Proposed City levy and City levies of recent years:

	2001	2002	2003	2004	2005	2006	2007	2008
Total Levy	2,032,484	2,134,108	2,198,131	2,264,075	2,331,997	2,401,957	2,462,006	2,548,176
Police Pension	87,300	152,883	169,045	167,080	213,305	233,410	259,054	268,204
Fire Pension	180,390	213,142	257,961	260,762	303,729	309,399	327,018	381,471
FICA/IMRF	220,000	247,500	275,000	302,225	302,225	310,870	310,870	310,870
Crossing Guards	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
General Operations	1,524,794	1,398,959	1,476,125	1,514,008	1,492,738	1,528,278	1,545,064	1,567,631
City-Wide EAV	201,706,953	216,389,113	241,138,805	261,496,432	309,324,156	359,225,508	410,867,373	438,000,000
City Tax Rate	1.0076	.98627	.91223	.865814	.75444	.66912	.59965	.58178

Overall Impact:

- Should result in a City tax rate decrease of 3%.
- Property taxes (minus the portion--\$649,675--going directly to the Fire and Police Pension funds) would represent 15.68% of all budgeted FY2008-2009 General Fund expenditures (\$12,106,913).
- Increase the monies available for general operations by \$22,567 (1.5%).

Historic City EAV, City Levy, and City Tax Rates:

Year	EAV	City Levy*	City Tax Rate* Per \$100 EAV
1966	\$27,220,176	\$216,252	.7945
1976	\$44,278,153	\$679,882	1.5355
1986	\$56,800,908	\$934,248	1.6448
1996	\$145,647,122	\$1,792,999	1.2318
1997	\$155,861,773 (+7%)	\$1,822,000 (+2%)	1.1689 (-5%)
1998	\$165,664,346 (+6.3%)	\$1,896,660 (+4%)	1.1449 (-2%)
1999	\$172,022,591 (+3.84%)	\$1,934,593 (+2%)	1.1246 (-2%)
2000	\$185,519,631 (+7.85%)	\$1,973,285 (+2%)	1.0648 (-5%)
2001	\$201,706,953 (+8.7%)	\$2,032,484 (+3%)	1.0076 (-5.37%)
2002	\$216,389,113 (+7.28%)	\$2,134,108 (+5%)	.98627 (-2.1%)
2003	\$241,138,805 (+11.4%)	\$2,198,131 (+3%)	.91223 (-7.5%)
2004	\$261,496,432 (+8.4%)	\$2,264,075 (+3%)	.865814 (-5%)
2005	\$309,324,156 (+18.3%)	\$2,331,997 (+3%)	.75444 (-12.9%)
2006	\$359,225,508 (+16%)	\$2,401,957 (+3%)	.66912 (-11.3%)
2007	\$410,867,373 (+14.3%)	\$2,462,006 (+2.5%)	.59965 (-10.4%)

*Excludes Sycamore Public Library and Sycamore Hospital.

Proposed Sycamore Library Levy and Library Levies of Recent Years:

Recent Library Levy History	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Operating & Insurance	\$428,930	\$458,603	\$526,501	\$537,185	\$557,713	\$610,632	\$651,804	\$698,447	\$741,287
FICA	\$22,438	\$22,621	\$23,438	\$25,930	\$26,995	\$27,694	\$29,270	\$32,000	\$35,700
IMRF	\$20,294	\$19,396	\$15,627	\$19,308	\$26,253	\$21,611	\$31,200	\$31,612	\$35,000
Audit	\$500	\$250	\$655	\$1,184	\$1,243	\$1,243	\$1,800	\$2,000	\$2,500
Total Library Levy	\$472,162 (+5%)	\$500,870 (+6%)	\$555,758 (+11%)	\$583,607 (+5%)	\$612,204 (+4.9%)	\$661,180 (+8%)	\$714,074 (+8%)	\$764,059 (+7%)	\$814,487 (+6.6%)
Library Rate	.2545 (-2.64%)	.2483 (-2.4%)	.25683 (+3.44%)	.24202 (-5.8%)	.23413 (-3.3%)	.21377 (-8.7%)	.19880 (-7%)	.18598 (-6.5%)	.18596 (0)

11. ORDINANCES

A. Ordinance No. 2008.52—An Ordinance Levying Taxes for the Corporate Purposes of the City of Sycamore for the Fiscal Year Commencing May 1, 2009 and Ending April 30, 2010. First Reading.

At the top of this agenda a public hearing will be held on the proposed 2008 corporate property tax levy for the City of Sycamore. As noted above, the proposed corporate levy of \$3,362,663 includes a City levy of \$2,548,176 (+\$86,170 or 3.5%) and a Sycamore Public Library levy of \$814,487 (+\$50,428 or 6.6%). Assuming a city-wide EAV of \$438,000,000 in 2008, the proposed corporate tax rate should be \$0.76773 per \$100 EAV, a decrease of 2.2% from the 2007 corporate tax rate of \$0.76773 per \$100 EAV.

City Council consideration on first reading only is recommended.

B. Ordinance No. 2008.53—An Ordinance Abating the Debt Service Levy for the General Obligation Bond Issue Series 2002 for the City of Sycamore, DeKalb County, Illinois for Fiscal Year 2009-2010. First Reading.

All of the debt service (\$305,065) on the 2002 Bond series will be abated. This approach is consistent with the City policy of paying the greatest share of its annual general obligation bond debt service from general revenues other than property taxes.

The attached ordinance will levy \$305,065 and abate \$305,965, so the extension will be \$0.0. The debt service will be paid by the 2002 Bond Proceeds Fund (Fund 24) which gets its primary revenue from General Fund and Capital Fund (Fund 6) transfers.

City Council consideration on first reading is recommended.

C. Ordinance No. 2008.54—An Ordinance Abating the Debt Service Levy for the General Obligation Bond Issue Series 2003 for the City of Sycamore, DeKalb County, Illinois for Fiscal Year 2009-2010. First Reading.

This ordinance concerns the debt service on the General Obligation Bond Series 2003, issued in September 2003. The levy of \$147,567.50 will be abated in its entirety. The debt service will be paid from the 2003 Bond Fund (Fund 26) which receives its primary revenue from Capital Fund, MFT Fund, and 1999 Bond Fund transfers.

City Council consideration on first reading only is recommended.

D. Ordinance No. 2008.55—An Ordinance Abating the Debt Service Levy for the General Obligation Bond Issue Series 2005 for the City of Sycamore, DeKalb County, Illinois for Fiscal Year 2009-2010. First Reading.

This ordinance would abate the debt service on the 2005 refunding bond that refinanced the outstanding 1999 bond series at a lower interest rate. All of the 1999 bond series that remained outstanding at the time of the issuance of the \$2,965,000 2005 G.O. Bond were redeemed in June 2005. The debt service obligation for FY2009-2010 is \$422,535. The levy is \$155,000 and the abatement is \$267,535. The debt service will be paid from the 2005 Bond Fund (Fund 19) which gets its revenue from transfers from the General Fund, the Water Fund, the Sewer Fund, the Motor Fuel Tax Fund, and the Road & Bridge Fund.

City Council consideration on first reading only is recommended.

E. Ordinance No. 2008.56—An Ordinance Abating the Debt Service Levy for the General Obligation Bond Series 2007 for the City of Sycamore, DeKalb County, Illinois for Fiscal Year 2009-2010. First Reading.

This ordinance concerns the FY2009-2010 debt service on the General Obligation Bond Series 2007. The levy of \$195,752.50 will be abated in its entirety. The debt service will be paid from the 2007 Bond Fund (Fund 29) which receives its principal revenue (excluding interest) from a General Fund transfer.

City Council consideration on first reading only is recommended.

F. Ordinance No. 2008.57—An Ordinance Abating Certain Real Estate Revenue Due for Property Owned by Tate & Lyle in the City of Sycamore, DeKalb County, Illinois for Fiscal Year 2009-2010. First Reading.

This is the third year of a three-year property tax abatement extended to Tate & Lyle (formerly CCI), located at 1631 S. Prairie Drive in the Sycamore Prairie Business Park. The City Council approved its abatement package on December 15, 2003 (Resolution No. 443), which called for the abatement of 80% of the firm’s property tax obligation to the City of Sycamore in the first full assessment year, 70% in the second year of full assessment, and 50% in the third year. The City’s abatement is part of a larger incentive combining property tax abatements from all other local taxing bodies, as illustrated below:

CCI/Tate & Lyle				
	First Full Assessment Year (2006)	Second Full Assessment Year (2007)	Third Full Assessment Year (2008)	Fourth Full Assessment Year (2009)
School District		80%	70%	50%
DeKalb County	80%	70%	50%	
City of Sycamore	80%	70%	50%	
Kishwaukee College	90%	75%		
Park District	80%	70%	50%	
Cortland Twp.	80%	70%	50%	
Sycamore Library	80%	70%	50%	

The Tate & Lyle assessment values in the period 2005-2008 are shown below:

Tate & Lyle		Land	Building	EAV Total
	2005	\$149,262	\$1,003,818	\$1,153,080
	2006	\$151,814	\$1,267,350	\$1,419,164
	2007	\$159,587	\$1,332,238	\$1,491,825
	2008	\$165,236	\$1,379,399	\$1,544,635

Based on an EAV of \$1,544,635 for the Tate & Lyle parcel (#09-06-427-011) in 2008, the City’s Year Three abatement is estimated to be \$4,493.19 (.0058178 x \$1,491,825 x .5).

City Council consideration on first reading is recommended.

G. Ordinance No. 2008.58—An Ordinance Abating Certain real Estate Revenue Due for Property Owned by Fullco Industries in the City of Sycamore, DeKalb County, Illinois for Fiscal Year 2009-2010. First Reading.

This is also the third year of a three-year property tax abatement incentive extended to Fullco Industries located at 1551 S. Prairie Drive in the Sycamore Prairie Business Park. The City Council approved its abatement package on March 7, 2005 (Ordinance 2004.74), which called for the abatement of 90% of the firm’s property tax obligation to the City of Sycamore in the first full assessment year, 75% in the second year of full assessment, and 50% in the third year. The City’s abatement is part of a larger incentive combining property tax abatements from all other local taxing bodies, as illustrated below:

Fullco Industries				
	First Full Assessment Year (2006)	Second Full Assessment Year (2007)	Third Full Assessment Year (2008)	Fourth Full Assessment Year (2009)
School District		90%	75%	
DeKalb County	90%	75%	50%	
City of Sycamore	90%	75%	50%	
Kishwaukee College	90%	75%		
Park District	90%	75%	50%	
Cortland Township	90%	75%	50%	
Sycamore Library	90%	75%	50%	

The Fullco assessment values in the period 2005-2008 are shown below:

Fullco Industries		Land	Building	EAV Total
	2005	\$29,439	\$253,133	\$282,572
	2006	\$29,942	\$552,633	\$582,575
	2007	\$31,475	\$580,928	\$612,403
	2008	\$32,589	\$601,493	\$634,082

Based on an EAV of \$634,082 for the Fullco parcel (#09-05-301-001) in 2008, the City's Year Three abatement is estimated to be \$1,844.48 (.0058178 x \$634,082 x .5).

City Council consideration on first reading is recommended.

H. Ordinance No. 2008.59—An Ordinance Revising Article 11, “Flood Control Regulations” of the City Code of the City of Sycamore, Illinois in its Entirety. First and Second Reading.

If approved, the lengthy and detailed attachment would constitute the new Article 11, “Flood Control Regulations,” for the City of Sycamore. The ordinance conforms to recent directives and guidelines of the Federal Emergency Management Agency (FEMA). In substance, this FEMA ordinance does not depart significantly from the City's current regulations, but standardizes the format and guidelines used by municipalities to protect the public health and welfare of citizens from the hazards of flooding.

City Council approval is recommended.

12. RESOLUTIONS

A. Resolution No. 511—Granting a Utility License to Kelso-Burnet to Install Below-Ground Fiber Optic Facilities Within the City's Public Rights-of-Way.

Kelso-Burnett Company, an electrical and communications company operating in Northern Illinois with offices in Rockford, has been hired by the DeKalb Clinic to install a fiber optic cable between the new clinic at 1850 Gateway Drive and the Kishwaukee Hospital. Specifically, the cable would be bored from a new vault to be installed at the northwest corner of the Clinic property to a new vault to be installed at the northeast corner of the Hauser-Ross Eye Institute, which would connect the Clinic to the hospital facilities. The logical path of the cable would be the public right-of-way between these vaults. The cable

would be privately owned and maintained by the DeKalb Clinic and the method of installation will be directional boring rather than open-cutting.

In order to operate within the City's rights-of-way, the firm needs to be licensed with appropriate indemnities. In the same manner that the Council proceeded with a similar request from DeKalb Fiber Optic in November, 2006 (Resolution No. 485), the City Manager suggests a license agreement with the following features:

- Written consent by the city engineer for any construction projects;
- Maintenance of membership in J.U.L.I.E. to assure marking in advance of construction work by Kelso-Burnett, and also to assure other utilities that Kelso-Burnett's underground cable and other appurtenances will be marked by an authorized locating company;
- An obligation to begin restoration of the city's parkways within five (5) days following the completion of any construction;
- Compliance with all applicable federal, state and local regulations regarding construction quality;
- Indemnification of the City against claims for loss of life and injury to persons or property during operations in the public ways;
- Listing of the City as an additional insured for any liabilities;
- Holding the City harmless in the event of any liens filed by subcontractors or providers;
- Non-exclusive access to the City rights-of-way. Other fiber optic installers agreeing to the same provisions and limitations would have the opportunity, at the City's sole discretion, to enter into similar arrangements with the City;

City Council approval is recommended.

13. CONSIDERATIONS--None

14. OTHER NEW BUSINESS

15. APPOINTMENTS

16. ADJOURNMENT