
**SYCAMORE CITY COUNCIL – REGULAR MEETING
MINUTES OF JANUARY 21, 2008**

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

Pastor Steve Persson of the First Baptist Church gave the invocation.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

Motion

Aldersperson Kessler moved to approve the agenda and Aldersperson Taylor seconded the motion.

Voice vote

Mayor Mundy called for a voice vote to approve the motion. All Alderspersons voted aye. Motion carried 8 - 0.

AUDIENCE TO VISITORS

Ted Strack, 1370 Windfield Dr., deferred his comments for agenda item Consideration 13 Recommendations of the Mayor's Ad Hoc Committee on Growth Management.

Steve Kuhn, 430 S. Main St., said he would like to speak to Ordinances 2007.40, 2007.41, and Consideration 13.

Peter Barick, 433 W. High St., expressed appreciation for the higher attention paid in clearing the downtown sidewalks. He said he saw no compelling reason for the Mapes annexation. He said now that the Mapes family is too close to Heron Creek they want out and want to sell. He said Sycamore does not need any more development right now.

Diana Swanson, 320 S. California St., said she would like to reserve her comments for ordinances 2007.40, 2007.41, 2007.48, and 2007.49.

Aldersperson Neubauer asked if the audience was going to be able to speak at the time the items are discussed on the agenda.

Mayor Mundy said they would.

Douglas Moore, 541 Cloverlane Dr., said that the Park District Board was elected by the citizens to determine the financial needs of the Park District and he felt it was the responsibility of the City Council to approve their request for an increase in impact fees.

Ann Scharlau, 15586 Whipple Rd., said she felt the increase in sales tax seemed like the best solution for revenue sources for the street maintenance program, but asked how, in good conscience, they would

suggest not raising impact fees. She said they have been made aware of the long term shortfall if the fees are not raised, and felt this should be taken care of now. She said the City wants to give a break to the developers. She said there are already thousands of homes already slated to be built and there are many houses for sales and asked Council not to add any new homes to an already flooded market and to deny the Mapes annexation request.

David Peek, 923 Meadow Ln., asked to speak to the Consideration item addressing the Ad Hoc Committee Recommendation.

Jan Torrance, 520 S. Main St., noted for the record that the people serving on the Ad Hoc Committee are not representing the citizens of Sycamore and recommended including the people that the elected official represent to base judgments about what Council should do.

CONSENT AGENDA

- A. Approval of the Minutes for the Regular City Council Meeting of January 7, 2008.
- B. Payment of the Bills for January 21, 2008 in the amount of \$1,513,145.33.
- C. Plan Commission Minutes for the Meeting of December 10, 2007.
- D. Monthly Budget Report for December, 2007.

Motion

Aldersperson Bauer moved to approve the Consent Agenda and Aldersperson Kessler seconded the motion.

Voice vote

Mayor Mundy called for a voice vote to approve the motion. All Alderspersons voted aye. Motion carried 8 - 0.

PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.

Mayor Mundy said when McDonald's reopened their doors, the McDonald's Corporation presented the School, the Veterans, and the City \$500 each. He said that the Stratford Hospitality Group LLC also gifted the City \$1000 and because they are a liquor license holder that donation was graciously returned. He also noted that recently an Eagle Scout Court of Honor was held for Mark Costello, Jordan Montgomery, and Josh Quick. He said a Sesquicentennial planning meeting would be held in Council Chambers February 23, 2008 at 3:00 p.m. He invited anybody interested to attend.

Aldersperson Kessler apologized for her absence due to sudden illness at the January 7 Council meeting and said the vote on the Engh Farm was right in line with her constituency.

Aldersperson Neubauer noted that he had placed a pamphlet on the impact fees at the back of the room.

Aldersperson Kessler said she had one and did not realize who the author of that pamphlet was.

REPORT OF OFFICERS

Manager – Bill Nicklas said the annual workshop for the proposed Capital Projects for the coming fiscal year and the 3-Year Capital Plan will be discussed at the second meeting in February.

Engineer – John Brady said the traffic signals downtown will have new timings for better control of traffic.

Building & Zoning – Lyle Doty said the Collins Dental Clinic on Bethany Road is now open. He reported that the Building Report had been distributed and noted that activity is down on the residential side and up on the commercial side.

Fire Chief – Bill Riddle said the ambulance approved for purchase several weeks ago is in Goshen, IN and we are about 60 days out from delivery.

Treasurer/Asst. City Manager – Brian Gregory said the December budget benchmark is about 66.66% with revenues at 71% and expenditures at 48%. He noted that the Home Rule and 1% sales tax are slower than expected and are being carried by the per capita income tax and personal property replacement tax that are connected to the Special Census numbers. He said we received \$15,545 from FEMA for reimbursement for the August flood expenses. He also reported that he received word from Waste Management that garbage fees will increase from \$15.28 per month to \$16.00 per household for 2008.

Public Works Director – Fred Busse updated Council on the Wastewater Treatment Plant expansion project. He said in early fall they received notice from the EPA that Phase I was approved which addresses the sludge dewatering and the sludge digestion system. He said that approval allowed the engineers to define the design size of the dewatering press which has been ordered and received. He said they will be in the process of the design and construction of Phase I through the spring of 2009. He said included in Phase I are the installation of a fine screen barscreen and controls in the Influent Pump Station, which will be finalized this fall.

Assistant Public Works Director – Ebe Smith reported that since October 2007 there have been 6 water main breaks compared to 15 in that time period the year before. He said he felt that was mostly due to improvements at the well houses improving the stopping and starting of the wells at the higher and lower pressures. He noted that there was a water main break Sunday morning at Park and Borden.

Acting Police Chief – Cary Singer said new officers Andrew Neuman is at PTI and Dana Allen is in her second week of field training. He reported that there have been seven burglaries in town over the past two weeks and last Thursday night an individual was apprehended running away from a building and things have slowed down since. He said the PRISM Program, which is simulation training, is now at the Police Department and offered that to City Council members.

REPORT OF STANDING COMMITTEES

Finance – no report

Ordinance – no report

Police & Fire – no report

Sewer & Water – Chairperson Bauer said he expected they would have a good discussion on impact fees and requested that sometime in the very short future an analysis of whether sewer and water impact fees need to be adjusted. He said he would also like to have numbers on expected demand on the system.

Mr. Nicklas said that would be part of the February 18 Capital Workshop.

Streets & Walks – no report

PUBLIC HEARING

A. Public Hearing Regarding the Annexation of the Mapes Farmstead.

Mayor Mundy opened the hearing.

Karen Lyons, 310 Garden Ct., said she was deeply saddened about what this Council has done. She said today there are 637 homes for sale in Sycamore, of those 199 fall in the townhouse category and of those 199, 55 are between \$150,000 and \$199,000. That is direct opposition to our homes in town. She said the values are falling because of the glut on the market and 2010 is in two years. She asked Council to vote no on the annexation and yes on the impact fees. She said Sycamore has not taken care of the old downtown which is the heart of Sycamore. She said that people are not showing up to the meetings, but they are watching and they will speak next April.

Jack Mapes, 15085 Plank Rd., he said he wanted to clarify a couple of issues. He said this is an infill of a work in process and this is a simple way for him to downsize. He said he is not leaving the community and will be living right behind these townhouses. He said he thought B & B was a class operation and he was glad to be a little part of that.

With no further public comment, Mayor Mundy declared the public hearing closed.

ORDINANCES

A. Ordinance No. 2007.40—An Ordinance Amending Title 3, “Business and License Regulations,” Chapter 13, “Occupation Taxes,” Sections 3-13-1 and 3-13-2 of the City Code of the City of Sycamore, Illinois to Impose a Sales Tax of 1.25% on Gross Receipts and Services in the City of Sycamore, Illinois. Second Reading.

City Manager Nicklas said a public hearing on the proposed increase from .75% to 1.25% in the City’s home rule sales tax to help fund the annual street maintenance program was held on January 7, 2008. He said if this is passed there will be a follow-on resolution dedicating all the proceeds to a new fund called something like the Street Maintenance Fund.

Steve Kuhn, 430 S. Main St., recommended approving the increase.

Diana Swanson, 320 S. California St., spoke in favor of the sales tax as long as it would truly go to street maintenance. She said there is a significant issue regarding maintaining the downtown area, quality of life, and quality of schools and parks. She said in that regard, growth needs to be slowed down and the current impact fees are gifts to the developers and she thought that was a disgrace. She said she wants the quality of life maintained for the long term and she is willing to put some money into that, but she did not think it was right for the people who have lived here for years to be paying for all of that. She asked Council to consider slowing down development and raising impact fees.

Jan Torrance, 520 S. Main St., said she does not want to see taxes go up, but she felt that this ½% was an equitable way to share this burden amongst everyone. She said it beat what Mr. Nicklas presented to the residents of Main Street a year ago which was to pay \$20,000 over a 5-year period to fix their road. She said while impact fees won’t fix the current situation, we need to plan ahead and share the burden with the developers by increasing impact fees.

Jerry Lyons, 310 Garden Ct., asked why we are in such a hurry to put up townhouses on the Mapes property.

Motion

Aldersperson Kessler moved to approve Ordinance 2007.40 and Aldersperson Knuth seconded the motion.

Aldersperson Bauer said he wanted to clear the air that it is not legal for the City to use the impact fees collected to maintain existing streets. He said that the issue of road impact fees needs to be tackled and would not be retroactive, but right now the only impact fees the City collects are for sewer and water. He said right now it appears the Council has settled on this sales tax and a gasoline tax for street maintenance and the thought that an impact fee would change this is probably illegal.

Aldersperson Kessler said she wanted to address an earlier comment made by Ms. Torrance. She said that Council has decided not to impose special assessment taxes in the older parts of town.

Aldersperson Taylor said because we live in the north where we have freeze and thaw cycles the weather wreaks havoc on the roads whether they are used or not and with or without growth.

Aldersperson Neubauer referred to his handout, pay me now or pay me later, and said that this tax addresses two problems. He said the first problem is we lost federal funds and the second is that we have added 1800 or so homes in the past five years and will add 3200 more in the next 10 years. He said if this ½% sales tax was just designed to fix the existing streets in the old part of town, then it would expire in 10 years. He said if Manager Nicklas' numbers are right, this tax will generate \$1.2 million per year and over 10 years should generate \$12 million. He said ten years from now, the new roads will be 15 years old and nobody is suggesting this tax will expire in 10 years, so this will also be used for maintenance of newer roads. He said that because road impact fees were not implemented earlier they are tackling two problems: taking care of the older roads in disrepair and the newer roads that will need repair in the future.

Aldersperson Stowe said the federal dollars dried up and what happened in the meantime was that money had to come from somewhere and because we were not a Home Rule community raising property taxes was the only answer. He said what they did was simply put things off and he felt that raising sales tax is the most equitable way to go.

Aldersperson Bauer said that the fund being established is by the Council as it sits today and that could change with future Councils.

Mr. Nicklas said in 2000 the Home Rule tax was raised ¼ % and that portion has been deposited into the Capital Assistance Fund every year religiously and he does not believe it would be likely that the street maintenance portion of that tax will change.

Mayor Mundy said that no expiration of the sales tax was discussed and he does not feel that the fund will be altered. He said this source will be the driver of the whole street and road repair program.

Roll call vote

Mayor Mundy called for a roll call vote to approve the motion. Alderspersons Adee, Bauer, Kessler, Knuth, Neubauer, Paulsen, Stowe, and Taylor voted aye. Motion carried 8 - 0.

B. Ordinance No. 2007.41—An Ordinance Imposing a Retail Tax on the Sales of Motor Fuel Within the City of Sycamore, DeKalb County, Illinois, by Adding Chapter 21 to Title 3 of the Sycamore City Code. Second Reading.

City Manager Nicklas said a public hearing was heard on this \$.02 gasoline tax and this ordinance is on second reading for action tonight. He said this tax is expected to generate between \$150,000 and \$200,000 per year and will be used for annual street maintenance repairs.

Steve Kuhn, 430 S. Main St., said he has reservations about this tax because it would generate a small amount of money and the price of gas is already high. He wondered if this amount of money would make a substantial difference.

Diana Swanson, 320 S. California St., said she was not sure the benefit outweighs the downside including the psychological affect on people. She said she did not mean earlier that she thought impact fees should pay for anything they cannot legally pay for and she understood their were legal limitations. She emphasized that she thought that School District and Park District impact fees should be raised and was surprised that the School District was not recommending an increase. She said she thought that road and public building impact fees should be instituted in the City.

Aldersperson Paulsen said he struggled with this tax because the previous ordinance already raises our gas price by \$.015 and he did not think the gas retailer could raise the price by another \$.02.

Aldersperson Knuth said at first he jumped on board saying this was logical because the people that use the roads would pay this, but his constituents have spoken against it and he cannot vote for this tax.

Aldersperson Bauer said they had a target amount they were going for and this tax was chosen by Council for consideration. He said we do not have to do \$1 million reconstruction to all city blocks. He said \$100,000 could resurface a city block. He said the federal government is talking about a \$.40 per gallon tax and he felt that this tax of about \$.40 per tank would be worth it.

Mayor Mundy said it comes down to the degree of aggressiveness with which the Council is willing to go.

Aldersperson Neubauer said he felt like this was a logical tax, but his constituents felt otherwise so he said he could not support it.

Mr. Nicklas said since he would be talking about the budget later and wanted to note that as they began this discussion in October, home rule sales tax and 1% state sales tax looked like it was trending toward 3 ½% to 4%. He said, although November and December returns will not be known until February or March, he said he thought the home rule sales return might be closer to \$1 or \$1.1 million rather than \$1.2 million.

Mayor Mundy said this program will not be kicked off in the spring of 2008 because we will not know for a year what the actual numbers will be. He said we never want to over estimate our revenue numbers.

Motion

Aldersperson Kessler moved to approve Ordinance 2007.41 and Aldersperson Bauer seconded the motion.

Aldersperson Kessler said that some time back she went to a Chamber luncheon and a Realtor said she would not mind paying \$.02 gas tax because she they use the streets to take their clients around. She said

we don't know what the numbers might be, but people will drive. She said she supports this tax because the \$.40 per tank has a purpose.

Roll call vote

Mayor Mundy called for a roll call vote to approve the motion. Alderpersons Bauer, Kessler, Paulsen, and Stowe voted aye with Alderpersons Adee, Knuth, Neubauer, and Taylor voting nay. Mayor Mundy broke the tie by voting aye. Motion carried 5 - 4.

C. Ordinance No. 2007.48—An Ordinance Concerning the Recommendation of the Plan Commission with Regard to the Petition of Jack and Darla Mapes for the Approval of an Annexation Agreement, Annexation and Rezoning to “R-3” Multiple Family Residence of a 6.25-Acre Parcel Located Approximately 3,300 Feet North of the Intersection of Lindgren Road and Plank Road. First and Second Reading.

City Manager Nicklas said the petitioner who spoke earlier in the night is in the audience. He explained that this is a 6.25-acre parcel sandwiched between a pie-shaped slice of 3.28 acres to the north that was annexed with the Sycamore Creek II subdivision; a number of separately owned and un-annexed single family parcels to the south, and the low-density single family zoning of B & B Development's future “commons” subdivision to the west. He noted that diagonally across the intersection of Plank and Springfield is a 6.64-acre parcel that is part of the Sycamore Creek II project and is zoned R-3 Multiple Family Residence for townhouse development. He said no development plan has been proposed because no plan exists at this time, however any future development would require the Plan Commission's review and City Council approval. He said the principal features of the annexation agreement are proposed R-3 Multiple Family Residence zoning, compliance with impact fee levels as they may change from time to time (including any transportation fee ordinance that might be imposed, access only from the future Springfield Street, and detention subject to the approval of the City Engineer. He said except for the desire of the Mapes family to reside a while longer on their homestead, the subject property would have been incorporated with the design of B & B Development's Sycamore Creek II project in 2004.

Alderson Neubauer suggested hearing this on first reading.

Alderson Stowe asked with the amount of retention required, how many units could be built.

Mr. Nicklas said that will depend on the plan, but the UDO requires no more than 9 units per acre for multi-family. He said the acreage to the north which is currently annexed would need to be rezoned if this is approved.

Alderson Neubauer asked if there would be between 37 to 57 units.

Pat Griffin, on behalf of the Mapes, said that is would be within that range and he thought they were looking at 7 units per acre.

D. Ordinance No. 2007.49—An Ordinance Annexing a 6.25-Acre Property Located Approximately 3,300 Feet North of the Intersection of Lindgren Road and Plank Road in the City of Sycamore, Illinois. First and Second Reading.

Mayor Mundy read the ordinance into the record and it was left on first reading.

E. Ordinance No. 2007.50—An Ordinance Concerning the Recommendation of the Plan Commission with Regard to a Revision to Section 6.8.4 of the Unified Development Ordinance in the City of Sycamore, Illinois. First and Second Reading.

City Manager Nicklas recommended taking this on first reading because the rendition before Council was not what they needed to act upon.

F. Ordinance No. 2007.51—An Ordinance Concerning the Recommendation of the Plan Commission with Regard to a Final Plat for the Engh Farmstead in the City of Sycamore, Illinois. First and Second Reading.

City Manager Nicklas said the decision was made by the City Council to work with the Park District, Sycamore Historical Society, and the YMCA for development of primarily recreational purposes on this parcel. He said there is a portion which Council carved out for construction of a new elevated water storage tank and this final plat will subdivide the parcel to be used by the others and to clarify the area needed for the City's new water tower. He said that construction of the water tower will begin mid year 2008.

Motion

Aldersperson Neubauer moved to hear ordinance 2007.51 on first and second reading and Aldersperson Paulsen 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 2007.51 and Aldersperson Neubauer seconded the motion.

Aldersperson Taylor asked about egress to lot 1 because it looked like it would have to be off Heron Creek Drive.

Mr. Nicklas said that was the preferred access by the other parties.

Ted Strack, 1370 Windfield Dr., said he was somewhat familiar with this document and he said they do anticipate having access off Heron Creek Drive.

Roll call vote

Mayor Mundy called for a roll call vote to approve the motion. Alderspersons Adee, Bauer, Kessler, Knuth, Neubauer, Paulsen, Stowe, and Taylor voted aye. Motion carried 8 - 0.

G. Ordinance No. 2007.52—An Ordinance Authorizing the Mayor to Sign an Agreement Granting an Easement to Commonwealth Edison for Work in the Somonauk Street Right-of-Way in the City of Sycamore, Illinois. First and Second Reading.

City Manager Nicklas explained that this easement essentially allows ComEd to lay some high voltage lines underground along the Somonauk frontage of the City's regional detention pond on Bethany Road.

Motion

Aldersperson Paulsen moved to hear ordinance 2007.52 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 Paulsen moved to approve Ordinance 2007.52 and Aldersperson Stowe seconded the motion.

Roll call vote

Mayor Mundy called for a roll call vote to approve the motion. Alderspersons Adey, Bauer, Kessler, Knuth, Neubauer, Paulsen, Stowe, and Taylor voted aye. Motion carried 8 - 0.

RESOLUTIONS - None

CONSIDERATIONS

A. Consideration of Recommendations from Mayor Mundy's Ad Hoc Committee on Growth Management.

Mayor Mundy explained that the membership of this committee was made up of representatives of the four taxing bodies and elected officials within the City of Sycamore, Planning Commission, Chamber of Commerce, DeKalb County Builders and Developer Association, Sycamore Economic Development Commission, and the DeKalb County Economic Development Commission. He said the purpose of the committee is to allow all the taxing bodies to be on the same page with issues that are common. He said he recognizes that the customers of all those taxing bodies and entities are for the largest part are the citizens of Sycamore.

City Manager Nicklas said he tried to hit the highlights of the past few meetings in his background. He said he tried to point out that there were some differing views regarding the outcome of Dr. Emanuelson's fiscal impact study. He said specifically the committee sought to address whether the present school and park land/cash fee ordinances were in line with the data presented in the study. He said that School Superintendent Wayne Riesen reported on behalf of the School Board that they were not willing to raise impact fees at the present time. He said the Park Board Member Ted Strack on behalf of the Park Board recommended increasing actual acres per 1000 from the current 11.5 acres to a 25/acre ratio, increasing gross acre price from \$122,000 to \$190,000, and incorporating Dr. Emanuelson's demographic findings on persons per household by housing type. He said that Sarah Tobias, Sycamore Public Library Executive Director, reported that the Library Board did not recommend an increase in Library impact fees at this time. He said the Committee voted 7 to 1 to recommend to Council that there should be no increases in the local impact fees at this time. He said that there is agreement with the City staff that the demographic findings of Dr. Emanuelson's study are comprehensive and solid. He said the research of the number of park acres per one thousand are what the Park District say they are. He said increasing the park acreage price to \$190,000 assumes that the developer is to pay the full price of that developed acre. He said whatever that price is it will be what the Park District will have to pay when they go out looking for land, but that is a matter for the Park District, more than the City. He said that our system of local code is built on the court-tested Naperville model and while we have departed from that model with respect to demographics he felt it was important to hold to the aspect of taking about half of the gross acreage out of development for other purposes. He said that if the Council chooses not to, then he recommended entering an intergovernmental agreement with the Park District to hold the City harmless for any legal fees or civil claims that may be awarded down the line.

Ted Strack, 1370 Windfield Dr., Park Board Commissioner, said when he got elected to the Park Board he was appointed to serve on the Mayor's Ad Hoc Committee on Growth on behalf of the Park District. He said he took it upon himself to try to determine if the findings in the study from a common sense perspective were appropriate or inappropriate. He said he removed opinion and went by facts only and found that the impact fee ordinance as it relates to the park is simply an equation and if you define the components of the equation the impact fee defines itself. He said there are acres per 1000 residents, residents per housing type, and the value of an acre of land. He said for the past 40 years there have been about 25 acres per 1000 residents, they city tracks residents per housing type, and the value of an acre of land is certainly opinion so he hired two certified appraisers to reach an unbiased number. He said he plugged in those numbers to the equation and found that our current impact fees are about one-third of what they should be. He said he kept his attorney informed about what they were doing and asked him if he could defend the variables. He distributed a letter from his attorney stating he could defend the numbers. He said his analysis were very close to what the Impact Fee Study said they should be and therefore this confirms that in the Park Board's eyes the findings in the study were accurate and the City Council should accept the findings as they relate to the Park District. He said as a citizen he views the Ad Hoc Committee as a group of people wanting what is best for the City. He said he was invited to attend the DeKalb County Builder's Association Legislative Committee Meeting and when he asked them what there goal was, they said their goal was to minimize impact fees. He said their goal was not necessarily to do what is the best for Sycamore, but he was concerned that certain individuals on that Committee were more concerned about their personal interest than what is best for Sycamore. He said the City administration indicates in the agenda that the value of an acre of land should be cut in half, because only 50% of the land mass ends up in approved lots. He said when the lots are priced, the developers take that into account plus add a profit margin so it is not appropriate to give them another credit by cutting that in half and the City should not condone that. He said the Park Board voted three times and each time it was a positive decision to support the findings in the study that was commissioned by the City of Sycamore with regard to impact fees as it relates to the Park District.

Mayor Mundy said the assumption that the land value plugged into the formula at whatever level it is, is that monies are in house to purchase at whatever price the seller comes to. He said if the building had not been done to generate the fees, then they would not be in the Park's coffers.

Ted Strack said if there is not building and no new residents, then they would not be buying new park land.

Mayor Mundy asked if they had a Capital Plan that the tripled impact fees would fund.

Ted Strack said they are talking about requiring new developments to donate neighborhood parks in land because residents want neighborhood parks and they would take the community park land in cash to give them financial flexibility.

Aldersperson Neubauer asked what would happen if Council slashed the proposed increase by half could they maintain the average of 25 acres per 1000 residents.

Ted Strack said only if that was subsidized in some other manner meaning they would have to take tax dollars from another source or raise taxes.

Steve Kuhn, 430 S. Main St., said it is hard for citizens to understand some of the numbers. He suggested placing a citizen at-large on the Ad Hoc Committee.

Alderson Neubauer said he handed out a fact sheet and on it is a table that Dr. Emanuelson's study presented with defensible impact fees and the Park District impact fee proposal. He said he also took the relative excerpts from the minutes from the Ad Hoc meeting where the Park District made their proposal.

Mr. Nicklas asked if Alderson Neubauer was making no distinction between impacts and impact fees because Dr. Emanuelson was very careful to make that distinction and he did not recommend impact fees.

Alderson Neubauer said he took what Dr. Emanuelson said was defensible.

David Peek, Executive Director of the Park District, said the Park Board is limited for revenue sources. He said to keep in mind what is in the best interest of the community. He said they do not have the ability to levy sales tax and to bring the community park up to date, they need more sources for funding. He said the Park Board signed off on Mr. Strack's research.

Alderson Bauer said the quality of the Park system and School system are what we are all looking for. He suggested accepting the recommendation of the Ad Hoc Committee and file it. He said if the Park Board is willing to hold the City harmless legally, then write an ordinance that Council can act upon. He said the Park District needs to bring a proposal to Council.

Mr. Nicklas said he thought the proposal has been made. He said the first action should be an intergovernmental agreement drawn up by our attorney and the second action should be the ordinance on the impact fee increase which will first require going through the Plan Commission with a public hearing.

Alderson Knuth said if the Park District needs great impact fees then we need to do everything we can to get them.

Alderson Kessler said she needed to do more homework and needed to be educated. She said the fees will be passed on to the price of homes. She said she was concerned about the big jump in the price of acreage of land and suggested using a scale or percentage rather than a flat dollar amount.

Alderson Taylor said he agreed in concept and the need for increased impact fees thought the logic behind it was solid. He said he wanted to hear more from the School District.

Alderson Adee said she did not know where she was regarding the impact fee proposal.

Alderson Neubauer said right now the DeKalb Park District impact fees are \$4,378 on a 4-bedroom home and in Sycamore they are \$1,015. He said the Park District is proposing to increase that to \$3,960 on a 4-bedroom home which would still be less than DeKalb, although he realizes they need to be based on Sycamore data. He said we need to be concerned about the defensibility on both sides of the impact fees and agreed with the past practice of Council to let the taxing body determine what their impact fees should be. He said he would like to hear more from the School District regarding their numbers for not requiring an increase in impact fees. He said he would support both the Park District and the School District's recommendations, but would like to see the School District's math.

Alderson Paulsen said he would like to see an intergovernmental agreement and said bring this to ordinance.

Aldersperson Stowe said if this is what they need, then that is what he would support, but he wants the intergovernmental agreement holding the City harmless. He said he did not want to examine what the School Board is doing and he would not tell an elected body what to do.

Aldersperson Bauer said if the School District does not request increased impact fees, then he would be hard pressed to support a future referendum.

B. Consideration of an Administration Request for Direction on the Proposed FY2008-2009 General Fund Budget.

City Manager Nicklas said most of his background was aimed at the implications of the General Operating Fund. He said as the City has acted to reduce the City's reliance on property taxes for operational needs it has put more emphasis on growth in the commercial and retail taxes. He listed the principal assumptions on the revenue side as follows:

- No new taxes or tax increases for operating purposes (the increased Home Rule tax and new gasoline tax will be dedicated to the Capital fund for street maintenance)
- A 4.7% increase in the garbage fee which will increase the present monthly fee of \$15.28 to \$16.00 (Waste Management contract expires at the end of 2008 when the contract will go out for bid)
- Local share of the combined state income tax proceeds is expected to rise to about \$90 per capita
- The former K-Mart shopping center is not expected to generate much sales tax revenue, First Rockford Group's development is not expected to generate new retail sales tax in FY09, but Jewel/Osco is expected to open by June 2008
- 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 \$206,976
- Annexation fees will remain flat
- Engineering plan review and building inspection fees dropped by over 40% in FY07 and a dramatically slower pace of local housing starts continued in FY08. Projected FY09 totals for building, electrical, and plumbing inspections will compare to FY04-FY05 numbers.
- The total of all new General Fund dollars in FY09 is projected to be \$545,497 over the FY08 General Fund revenue budget of \$11,588,972.

Mr. Nicklas listed the principle spending assumptions for the General Fund in FY09 as follows:

- Health insurance costs will increase 15% and worker comp costs will increase about 20%
- The \$100,000 allocation in the Public Works budget (731-8316) will be cannibalized for use by all departments for inflationary personnel increases but the same amount will be picked up by the Sales Tax Distributive Fund (Fund 22) for street maintenance purposes in FY09 to maintain the commitment made to the Council in December. By conventional wisdom, this amount is truly a capital cost rather than an operational cost. As the general revenues accruing to Fund 6 or the new Street Maintenance Fund grow, this amount will more naturally fit in either of those two funds.
- \$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.
- A new police officer will be hired after August 1, pending a review of then current General Fund revenue and expenditure trends. This hire would complete a six-year effort to ensure that seven officers are assigned to each shift.

- A roughly neutral shift in costs will occur between the Police and Administration departments. With the pending retirement of the Police department's full-time parking clerk, the receipt and recording of parking fees and fine revenues will be shifted to the Finance office as our auditors have long recommended. The full-time clerk position in the Police department will be re-crafted to focus on Police record-keeping, and the part-time Police clerk position will be frozen for now, resulting in a reduction from 1-1/2 to 1 FTE. In the Finance office, the parking revenue collection will be combined with transfer tax collection, gasoline tax collection, and a variety of entry-level management functions to create a new "administrative analyst" position. The part-time City intern would be the logical person to assume these duties, increasing a 1/2 FTE to 1 FTE in the Administration department.
- Wage and salary increases will incorporate union contractual increases of 4 percent. The City management is currently negotiating with all three City locals and is hoping to negotiate one-year agreements to allow the organization as a whole to weather what most prognosticators believe will be a slow economic year. By this time next year, both sides of the bargaining table will have a better view of the prognosis for future revenue growth.
- Management pay increases will also be targeted at 4 percent.
- Commodities and contractual services are generally steady at FY08 levels, with the exception of upward revisions to meet our insurance requirements (noted in the General Fund Support budget), utility costs, etc.
- The City's public safety dispatch costs (710-8344) will be \$585,900, an increase of 5% (\$27,900).

Mr. Nicklas said he received word from the County Friday that the increase will be 2.2% rather than 5%. He said that unless Council had any major issues, he would get these numbers into a preliminary spreadsheet format that they will see in about six weeks.

Mayor Mundy said that the City consistently estimates revenue conservatively. He said when things are good we congratulate the department heads and budget management, but when it's a less than wonderful year that is the time the City really excels by maintaining services.

Mr. Nicklas explained that the City does two budgets. He said at mid-year we plug in actual audited numbers so we are in a better position to judge where we are on the revenue side and the spending side. He said each year he proposes a list of prioritized but unfunded expenditures and there is an opportunity at mid-year to look at other options if revenues exceed our expectations.

Aldersperson Taylor said that having read recently about DeKalb's plan to lay off employees, asked if we were addressing that aggressively.

Mr. Nicklas said we are, but nobody is immune to bad guesses. He said that last year we expected a drop off in building related fees and we are expecting an additional drop this year. He said there are other extreme things we have no control over, but if that happens we have a reserve that can be used.

Aldersperson Bauer said Mr. Nicklas has treated us to many years of no surprises and he attributes that to good planning. He suggested that for FY10 they look at a 16-month budget to look at a different fiscal year in order to get better sales tax projections.

Mr. Nicklas said that would be a major undertaking and he would not recommend it at this time because our sales tax generally averages out on a monthly basis at a pretty even pace.

Hearing no objections, Mayor Mundy asked Mr. Nicklas to proceed.

C. Consideration of an Administration Request for a Closed Session Regarding Collective Bargaining and Personnel Matters.

Motion

Aldersperson Knuth moved to go into Closed Session at 10:05 p.m. and Aldersperson Taylor 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 return to Open Session at 10:35 p.m. and Aldersperson Neubauer 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

APPOINTMENTS

ADJOURNMENT

Motion

Aldersperson Stowe moved to adjourn the meeting at 10:35 p.m. and Aldersperson Paulsen 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