

**SYCAMORE CITY COUNCIL**  
**AGENDA**  
January 5, 2009

**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 December 15, 2008.
  - B. Payment of the Bills for January 5, 2009.
  - C. December Budget Report.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
8. **REPORTS OF OFFICERS**
9. **REPORTS OF STANDING COMMITTEES**
10. **PUBLIC HEARINGS--None**
11. **ORDINANCES**

**A. Ordinance No. 2008.65—An Ordinance Amending the Fiscal Year 2008-2009 Budget. First and Second Reading.**

The attached ordinance obligates most of the uncommitted balance in the 2003 Bond Fund (Fund 26) to cover the closeout of the 2008 street maintenance program costs. The slower-than-expected accrual of sales tax in the new Street Maintenance Fund (Fund 30) has made it necessary to do some shifting of available capital resources to cover outstanding bills for the 2008 program. The total of all street maintenance costs in 2008 was \$577,261.39. This shifting of resources was not unexpected. The expanded street maintenance program was launched as new capital revenues (a 2 cent per gallon gas tax and a ½% increase in the home rule tax) were just beginning to accrue. At the time of the award of the prime street maintenance contract on August 18 the City Manager suggested that some action would be needed to clean up the capital fund budgets in the late fall.

The attached spreadsheet shows the only change in Fund 26, which is a transfer of \$150,000 from the fund reserve to the street and alley maintenance line item (Line item 26-8316). This transfer all but exhausts the revenues borrowed in 2003 for various street improvements. After May 1, 2009 this fund will remain open as the repository for general capital revenues committed to pay the debt service on the outstanding 2003 bond series. City Council approval is recommended.

**12. RESOLUTIONS**

**A. Resolution No. 513—A Supplemental Resolution for Maintenance of Streets and Highways by the City of Sycamore Under the Illinois Highway Code from May 1, 2008 to April 30, 2009.**

The attached resolution would permit the City to spend motor fuel tax funds for salt purchases. As with many cities across the snow belt, each year the City receives salt shipments in a series of deliveries, because of the inability to store all of a year’s needs in the existing salt storage space (the City salt storage shed can only hold about 800 tons).

The tonnage and price per ton are established through a state purchasing system. Under this system, municipalities submit requests for a specified amount of salt in March and April. Once all municipal estimates are tallied, the State of Illinois requests proposals from qualified vendors and announces the “state purchase price” by late September. The price per ton of salt in recent years under this system is shown in the table below:

<b>Fiscal Year</b>	<b>Price/Ton</b>	<b>Percent Increase</b>	<b>Tons Requested</b>	<b>Tons Used</b>
FY02-03	\$33.16		1,500	1,041
FY03-04	\$33.48	.9%	1,500	1,031
FY04-05	\$33.38	0%	1,900	954
FY05-06	\$39.11	16.8%	1,900	1,033
FY06-07	\$41.01	4.9%	1,900	1,566
FY07-08	\$41.58	1.4%	2,100	2,400
FY08-09	\$83.16	100%	2,600	?

To attract competitive bids, participating cities are obligated to purchase and receive 70% of the amount they have requested. In return, the vendor has to honor the agreed price for up to 130% of the original amount requested by each municipality.

As the foregoing table shows, the estimated price per ton of salt in February and March of 2008, as the City was completing its budget preparation, was about one-half of the state purchase price today. The General Fund Street Division budget (731-8235) allocated \$76,500 for salt purchases, which would have covered the City's minimum (70%) commitment based on the trailing 6-year average. Unfortunately, for the fiscal year to date, the City's use of salt is on track to match the FY08 total and the price is twice that of FY08.

Because the City's general revenues are not sufficient to cover the increase in the unit cost of salt, the City Manager recommends the supplemental use of Motor Fuel Tax monies which are an appropriate source for street maintenance expenditures such as salt. The attached resolution commits \$74,852 from the Motor Fuel Tax Fund reserve for this purpose and meets the IDOT requirement for supplemental authorizations. An ordinance amending the City's MFT Fund budget will be placed on an upcoming Council agenda once IDOT concurs with this resolution, most likely by the next regular Council meeting. In the meantime, ample salt is in storage to treat City roads and alleys.

City Council approval is recommended.

**B. Resolution No. 514—A Resolution in Opposition to SB 3077 and the Amendment to SB 2083, Creating the Emergency Budget Act of Fiscal Year 2009, Which Propose to Divert Municipal Revenues for State Use.**

The State of Illinois collects a variety of revenues from retailers on a monthly basis, then remits a portion to municipalities. This is true of sales tax, motor fuel tax, and telecommunication tax revenues. The "local share" is temporarily deposited in the state's Local Government Distributive Fund ("LGDF"), then released as warranted—usually 2-3 months after receipt by the state department of revenue.

To address state budget problems which municipalities have neither created nor aggravated, the two enactments noted in the resolution title would depart from this long-established pattern and effectively seize local revenues held in trust. Clearly, the LGDF appears to be a fat, inviting purse for those legislators who have no taste for the tough decisions that must be made to balance state budgets through traditional state funding sources. However, the loss of any significant local revenues would beggar local governments like Sycamore that have habitually worked within modest, balanced budgets. The possible reduction of state-shared sales, motor fuel tax, and telecommunication tax revenues by 8% would mean a loss of about \$300,000 in general revenues and about \$40,000 in street maintenance funds. There are no identifiable local funding sources to replace such losses.

City Council approval is recommended. If approved, this resolution would be forwarded to our state representatives and to the state legislature. The Illinois Municipal League will also be gathering similar resolutions from other municipalities.

**13. CONSIDERATIONS--None**

**14. OTHER NEW BUSINESS**

**15. APPOINTMENTS**

**16. ADJOURNMENT**