

SYCAMORE CITY COUNCIL
AGENDA
August 2, 2010

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 July 19, 2010.
 - B. Payment of the Bills for August 2, 2010.
7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. **Presentation by Shela Lahey Regarding a Proposed Sycamore Film Festival.** Shela Lahey is an award-winning producer of documentary and short feature films and resides in Sycamore. Ms. Lahey is planning a three-day Sycamore Film Festival in September 2011 (9/23-9/25, 2011) in cooperation with Daryl and Ken Hopper of the State Street Theater. The tentative schedule includes about 20 films run on all three theater screens, involving filmmakers from the United States, Spain, Ireland, and England. The festival would engage NIU students and faculty as well as filmmakers centered in the Chicago area. The centerpiece will be a documentary-style film about the City of Sycamore, based on historical sources locally available through the Joiner History Room and Sycamore Historical Museum. Ms. Lahey has raised about \$10,000 from local individuals and businesses and is hoping to reach a budget of about \$40,000 to fund the festival, including

about \$25,000 for the film production. Ms. Lahey will be on hand to make a more detailed presentation of her plans to the Council.

8. REPORTS OF OFFICERS

9. REPORTS OF STANDING COMMITTEES

10. PUBLIC HEARINGS--None

11. ORDINANCES

A. Ordinance No. 2010.09—An Ordinance Awarding a TIF Grant in the Amount of \$25,000 to the Sycamore Park District for Tuckpointing at the Midwest Museum of Natural History.

The Sycamore Park District has approached the City of Sycamore for TIF assistance with the financing of some substantial tuckpointing at the District's property at 425 W. State Street, which houses the Midwest Museum of Natural History. When the former community center was remodeled and converted to the museum's home in 2003, the focus of the construction work was the interior of the building, although some new exterior windows and doors were installed. An energy audit conducted at the time of the remodeling revealed heat loss through perforations in the 90-year old mortar joints on the building, but sufficient funds were not available to address them. These fissures have in some places opened to allow moisture to penetrate the building. Recently, the District hired the architectural firm of Studio-GC to investigate the exterior masonry and they have recommended some substantial and thorough tuckpointing of the exterior mortar joints, along with the replacement of some damaged face brick.

The tuckpointing process involves the removal of the existing mortar with power tools and chisels and the troweling of new mortar into the exposed joints by hand trowel. Special care must be taken to avoid damaging the existing brick, so it is a tedious and labor-intensive process. However, it can sometimes be broken into several smaller projects focusing initially on the most damaged areas, and allowing the process to extend over some months or even years. This is the case with the museum building. In view of the limited capital dollars that the District can set aside from property tax receipts, the Park Board has approached the City for TIF assistance to help with the 2010 repairs. The building is within the City's Tax Increment Finance District and tuckpointing qualifies as a legitimate repair within the state TIF statutes. In Sycamore's case, the Park District is the only local taxing body that owns a building within Sycamore's small TIF district. In many Illinois TIF cities, the cooperation of other taxing bodies in the creation of tax increment districts is often reached with the understanding that school or library or park facilities within such districts will be eligible for assistance.

In order to determine the actual market price for the tuckpointing repairs, the District requested bids from professional contractors. Bids were opened at 10:00 a.m. on Tuesday, July 27, and the lowest bid was received from Seyllers, Inc. of Genoa, IL in the amount of \$138,950. The Park Board has requested an FY11 TIF grant of \$25,000 to offset about 18% of this substantial cost.

City Council approval is recommended.

12. RESOLUTIONS--None

13. CONSIDERATIONS

A. Consideration of an Administration Recommendation to Convert the 100 Block of West Exchange Street to a One-Way Street.

In the past two years some very important decisions have been made by the DeKalb County Board with respect to the future use of the County Courthouse and, by extension, the impact of that very busy facility on the City's downtown core. It has been determined that the County's court services would be best served in the long term by re-uniting the circuit clerk, judiciary, state's attorney and various support services in the Courthouse, where they had worked together for generations until space limitations led to the relocation of some offices to remote buildings. This decision was heralded by the City government and the City's Chamber of Commerce as an important plus for the economic life of the downtown, and the continuing economic relevance of that downtown in the City's commerce. To provide the space for the re-integration of all court-related services on the Courthouse square, the County Board is committed to expanding the courthouse footprint, as opposed to constructing a stand-alone annex. After some extensive review by various committees, it has been determined that the most economical and architecturally compatible option is to expand northward on the square.

The planned addition to the north side of the DeKalb County Courthouse is presently under conceptual review in advance of the preparation of construction plans and specifications. County officials have hired the architectural firm of PSA Dewberry to lead the DeKalb County Board and the community through the conceptual building design, and the engineering firm of Baxter & Woodman to address a variety of site issues including vehicle access and storm water management. In this conceptual design process two factors have bedeviled these professionals. With respect to the building design, the architects are attempting to integrate new square footage for the office of the state's attorney and the future needs of various county departments already functioning in the courthouse, without diminishing the architectural significance of the central core of the 1904 structure, and the appeal of the sunlit stained glass on the north façade. In addition, the architects are integrating a "sally port" for the secure transport of prisoners to and from the courthouse, with access from Exchange Street. The consulting engineers are wrestling with a longstanding dilemma of the built environment at this end of the downtown: much of the stormwater runoff from the 100 block of N. Main Street flows north to the intersection of Exchange and N. Main, then tips westward down the sloping Exchange Street to the intersection with N. Maple Street. During significant rain events, this runoff is in great volume and tends to bubble along the curbing in the diagonal parking areas approximately where the proposed sally port entrance would be located.

In addressing the architectural and engineering challenges of the north addition, which was chosen over a design that included an east and west addition (that cost an additional \$4.5 million), the professionals hired by the County approached the City Manager and the City's operating departments to weigh the pros and cons of an extension of the building footprint up to the Exchange Street right-of-way ("ROW"). This projection would accomplish the following:

- a) It would allow for a substantial glass atrium connecting the new addition with the older structure. Such an atrium would continue to allow an abundance of sunlight on the stained glass windows of the existing north face, retaining the dramatic impact which the stained glass windows project throughout the inner core of the present building. One of the attached color copies suggests that impact.
- b) It would allow for a lower slope to the driveway connecting the sally port in the basement with the Exchange Street ROW. The resulting 7.5 degree slope still concerns the consulting engineer but not as much as the steeper slope that would result if two driving lanes pushed the top of the slope toward the building face. The consulting engineer believes that a 2-foot wide open storm grate at the top of a 7.5 degree slope would tend to grab the stormwater runoff coursing west on Exchange more effectively than a similar grate at the top of a steeper slope. Failure to effectively adsorb overland storm flows would mean a wet courthouse basement.

If parking in the 100 block of West Exchange was not important to the courthouse employees or the adjacent neighbors, the projection of the building addition to the Exchange Street ROW could be accomplished by removing parking on the north and south sides, and retaining a two-way street. However, downtown parking is important to workers and residents and businesses in this block as it is in every other block in the City's downtown.

An alternative that retains parking on both the north and south sides of this Exchange Street block is the conversion of the two-lane configuration to a one-lane configuration. One version of this approach featuring a one-way westbound configuration was presented to neighborhood residents and business owners at an informal neighborhood workshop on Wednesday evening, July 21.

The neighborhood discussion of July 21 raised some thoughtful and practical suggestions that had not been anticipated in the proposal presented by the City staff. During and after the meeting, suggestions relating to parking, speeding, truck use, and police enforcement were discussed in detail. With many of these suggestions in mind, and after further deliberation with the County's consulting engineer and architects, the City Manager presents the following proposition for Council review:

1. **The 100 block of W. Exchange Street is converted to a one-way section, east bound.** The neighborhood conversation on the 21st made it clear that an uninterrupted clockwise flow around the Courthouse would eliminate confusion and aggravation that might arise at the intersection of Exchange and N. Maple Street, if a one-way west bound section was created.
2. **Left-hand turns at Exchange and N. Main would be prohibited on weekdays between the hours of 8:00 a.m. and 4:00 p.m.** Whether in the present two-way configuration or the proposed one-way, east bound configuration, northbound turns from Exchange on to N. Main are risky because of limited vision northward and the rapid movement of northbound traffic on N. Main after clearing the intersection at State and Main. The pedestrian crosswalk poses another challenge: it is oftentimes unclear whether northbound traffic on N. Main is going to stop for someone standing at the corner on the jail or Courthouse side. This change can be implemented this summer.

3. **Parking on the north side will be reserved for residents only on weekdays between the hours of 8:00 a.m. and 4:00 p.m.** During evenings and weekends when the Courthouse is closed the residents generally have the use of the parking spaces on the north side and also the south side of the 100 block. Colored permits can be issued to the residents and enforced on a daily basis with \$10 fines.
4. **The striping of spaces on the one-way section would increase the available parking by two spaces.**
5. **The street would not be vacated.** The Council would simply define this section as one-way in the City code and the County would assume all expenses for the new configuration which would be incorporated with the Courthouse expansion project. This approach leaves the control of parking and enforcement with the City government.
6. **The 100 block of W. Page Street will be reconstructed in 2011.** This section of Page Street has long been in need of substantial repair, including the replacement of a decrepit water main. Its constant use by heavy trucks on a daily basis has literally ground the surface and sub-base to dust. It was pointed out in the meeting that if any additional traffic is re-directed northward because of the one-way configuration, this section of Page Street will take on some more cars and should be in better repair. The section is in the City's three-year street maintenance plan.
7. **More obvious and attractive signage should be installed to direct Courthouse traffic to the free public lots off N. Locust Street.** This can also be addressed this summer.

Another suggestion raised at the June 21 meeting was to switch the one-sided parking on N. Maple, from Exchange to Sycamore Street, from the west to the east side. However, after driving the corridor, our Police recommend keeping the present arrangement since there are slightly more opportunities for parking on the west side than the east side, once hydrants and driveways are counted.

City Council direction is requested. Because the Council's position on the recommended changes is critical to the further design of the Courthouse addition, the City Manager hopes to put this matter on the August 16 agenda in an action format.

B. Consideration of a Police Department Request to Establish a New Sergeant Position.

Presently, the Sycamore Police department has five full-time sergeant positions, with three sergeants assigned to patrol duties, one to investigations, and one to administration. Police Chief Don Thomas proposes the hiring of a fourth patrol sergeant in a move that is considered cost-neutral and operationally important.

On July 31, the Police department moved to a trial 12-hour shift that is designed to optimize police coverage around the clock. The previous 10-hour shift created an overlap situation every day that often made for unusual shift strength when extra officers were not required, and weak shift strength when a few extra officers would have been useful. The 12-hour shift is an experiment supported by FOP Lodge 133 and the City administration to diminish staff imbalances and to provide for more efficient staffing (please see the attached Memorandum of Understanding). In effect, it provides for two shifts each day that will cover the clock more efficiently.

The move to a 12-hour shift creates a different dynamic for supervision. With the 10-hour shift, the department had three teams working all or part of each day and three patrol sergeants. With the 12-hour shift, the department has 4 teams with two working each day. The fourth team would have no supervisory structure unless one of two steps was taken:

- A. promote an officer from the promotional list established by the Fire and Police Commission.
- B. appoint an officer-in-charge for the fourth shift.

Chief Thomas recommends Option A for several reasons. First, the comparative cost of the two options is about the same. The cost of a regular officer-in-charge appointment would be a few thousand dollars less per year, but the promotion of a range of officers to acting status brings in more variables relating to vacation, family leave, and illness or injury and would likely lead to more overtime fill-ins. Second, rolling a number of different acting sergeants through the shift cycle on a regular basis does not lead to consistent supervision or promote optimal performance.

Finally, what if the trial period does not produce a conclusive case for the 12-hour shift by the end of April 2011? Chief Thomas reviewed the 10-hour statistics for FY10 (May 1, 2009 through April 30, 2010). He found that officers were scheduled to “act up” to the sergeant rank for more than four thousand (4,000) hours in FY10. That is well in excess of one full-time supervisory position. In addition, there were 60 work days when there were no sergeants available at any time during the entire 24-hour working day.

City Council approval of Chief Thomas’s recommendation is requested. If the Council approves, the permanent sergeant promotion will not involve the hiring of a replacement officer.

C. Consideration of an Administration Recommendation Regarding Health Insurance Coverage for Active and Retired City Employees.

The City’s new plan year for all of its insurance policies begins on September 1, 2010. By category, the renewal rates and recommendations are as follows:

Health Insurance: Until last year, each time our broker sent out Requests for Quotes, all but a handful of carriers declined to provide a quote on our group because the City had a relatively high number of retirees on our base plan. The one or two insurers that would quote would either come in higher than Blue Cross or would only provide a premium quote for our active employees. In short, the perceived future liabilities associated with the retiree population were a disincentive to competitive market quotes. Owing to the City’s commitment to insure a specific group of retirees for life, the City had no choice but to stay with Blue Cross. This changed in 2009, when the City moved the post-65, Medicare-eligible retirees to a Medicare supplement plan. This change has made our group more attractive to other carriers, enabling our broker to obtain quotes from three other carriers this year. Two carriers submitted quotes that were higher than our current insurer. Another offered a quote lower than the current carrier’s quote; however, our broker has cautioned us that certain carriers are trying to break into the area by offering low, “killer” rates. While the City would realize a savings in premium

dollars this year, it could lead to significant premium increases in subsequent years. Companies that use this carrier have reported renewal increases exceeding 30%, because the carrier is able to establish a claims history in the second year for the group, which is then used to calculate renewal rates. Our initial renewal quote from Blue Cross came in with a 25.69% overall increase, which they based upon the following:

- ✓ The City had 19 large claims last year, 17 of which incurred expenses between \$25,000 and \$71,000 and 2 of which incurred expenses over \$100,000.
- ✓ The City paid \$1,676,943 in premiums and incurred \$2,298,661 in claims expense, for a loss ratio of approximately 137%.
- ✓ More medical conditions exist among our group this year as compared to last year which suggests the potential for future large claims.
- ✓ Health care reform will be causing changes to all health insurance plans which will increase claims expense.

In previous years, the City's broker was able to negotiate with Blue Cross to decrease the initial renewal rate quoted. This year, Blue Cross would not reconsider the renewal rate given our claims history, risk factors, and the changes in the national health care landscape.

The City offers three plan types: HMO, PPO and HSA. Blue Cross will be increasing co-pays for some services under the PPO plan, which is a system-wide change that will affect all companies insured by them. Benefits under the HSA and HMO plans will remain the same. Broken down by plan type, the PPO premium had the smallest increase, followed by the HMO, while the HSA plan had the largest. Even though the HSA plan incurred the largest percentage premium increase, it continues to be more economical than the traditional PPO and HMO plans. For this reason, the City staff propose that the City continue to fund 100% of the deductible for HSA participants, which is \$1,500 for a single participant and \$3,000 for a family. The total employer cost for an employee plus family under the PPO plan will be \$24,792.91 in FY11. For the same time period, the total employer cost for an employee plus family is \$21,224.98 under the HSA, which includes the contribution to the deductible. This equates to a savings of \$3,567.93 in premium. There are currently 49 employees participating in the HSA, 16 of which have family coverage. As has been the practice in the past, the City's contribution to the HSA will be determined each August based upon realized savings once the renewal rates are received.

This information was presented to the City's Health Insurance Committee, which is comprised of members from each union group, management, and the retirees. After careful consideration, the Committee unanimously voted to recommend remaining with Blue Cross for the next plan year. It was also assumed that rate changes to offset higher carrying charges (as opposed to claims) may be more stable in 2011 as the national health care changes are digested by the major insurers.

Dental Insurance: Last year, as part of the City's dental renewal, Assurant guaranteed no more than a 4% premium increase if the City renewed again this year. In addition Assurant, the City's broker was able to secure quotes from five other dental carriers. Three of the five offered competitive bids that came in slightly below Assurant on similar plans. However, these quotes are not based on claims history and historically the City has experienced inflated increases in the second year of our dental renewals.

The idea that the quoted rates do not reflect actual claims history and may result in large increases next year is the reasoning that led the Health Insurance Committee to recommend staying with Assurant.

Vision Insurance: VSP was the only quote submitted for the City's vision insurance. The premium increase will be 9% more than last year and will be locked in for two years.

Life Insurance/Short-term Disability: Fort Dearborn Life will not be changing our premium rates for these benefits for the next plan year.

The City costs based on the new premiums quoted for all benefits in FY11 are as follows:

Blue Cross Blue Shield Premium (25.69% INCREASE)

Month	Retiree Premium (under age 65)	Retiree Premium (over age 65 - Hartford Plan)	Less Retiree Share	Total Employer Share, Retirees	Total Premium Active Employees	Less Employee Share	Total Employer Share, Active Employees
May 10	22,298.54	5,383.25	(651.83)	27,029.96	125,666.92	(13,396.06)	112,270.86
June 10	24,334.99	5,890.88	(651.83)	29,574.04	119,598.05	(8,903.71)	110,694.34
July 10	25,027.30	5,890.88	(651.83)	30,266.35	130,900.09	(9,782.77)	121,117.32
August 10	<u>25,027.30</u>	<u>5,890.88</u>	<u>(651.83)</u>	<u>30,266.35</u>	<u>125,921.14</u>	<u>(9,344.43)</u>	<u>116,576.71</u>
SUBTOTAL	96,688.13	23,055.89	(2,607.32)	117,136.70	502,086.20	(41,426.97)	460,659.23
September 10	30,500.94	5,890.88	(806.69)	35,585.13	158,885.82	(12,602.74)	146,283.07
October 10	30,500.94	5,890.88	(806.69)	35,585.13	158,885.82	(12,602.74)	146,283.07
November 10	30,500.94	5,890.88	(806.69)	35,585.13	158,885.82	(12,602.74)	146,283.07
December 10	30,500.94	5,890.88	(806.69)	35,585.13	158,885.82	(12,602.74)	146,283.07
January 11	30,500.94	7,069.12	(806.69)	36,763.37	158,885.82	(12,602.74)	146,283.07
February 11	30,500.94	7,069.12	(806.69)	36,763.37	158,885.82	(12,602.74)	146,283.07
March 11	30,500.94	7,069.12	(806.69)	36,763.37	158,885.82	(12,602.74)	146,283.07
April 11	<u>30,500.94</u>	<u>7,069.12</u>	<u>(806.69)</u>	<u>36,763.37</u>	<u>158,885.82</u>	<u>(12,602.74)</u>	<u>146,283.07</u>
SUBTOTAL	244,007.52	51,840.00	(6,453.52)	289,394.00	1,271,086.52	(100,821.94)	1,170,264.58
TOTAL	340,695.65	74,895.89	(9,060.84)	406,530.70	1,773,172.72	(142,248.91)	1,630,923.81
HSA ER	0.00			0.00			91,500.00
GRAND TOTAL EMPLOYER PREMIUM		406,530.70			1,722,423.81		

Month	ASSURANT DENTAL - 4% INCREASE			VSP VISION PREMIUM (9% INCREASE)			FT DEARBORN LIFE/STD - NO INCREASE		
	Total Premium Active Employees	Less Employee Share	Total Employer Share, Active Employees	Total Premium Active Employees	Less Employee Share	Total Employer Share, Active Employees	Total Premium Active Employees	Retiree Premium (Life only)	Total Premium
May 10	7,076.06	(3,415.40)	3,660.66	1,320.53	(461.14)	859.39	3,949.00	141.45	4,090.45
June 10	6,770.92	(3,353.09)	3,417.83	1,312.86	(455.35)	857.51	3,902.11	147.60	4,049.71
July 10	7,224.87	(3,461.61)	3,763.26	1,360.43	(473.27)	887.16	4,204.47	147.60	4,352.07
August 10	<u>7,053.69</u>	<u>(3,315.18)</u>	<u>3,738.51</u>	<u>1,340.48</u>	<u>(433.37)</u>	<u>907.11</u>	<u>4,062.94</u>	<u>147.60</u>	<u>4,210.54</u>
SUBTOTAL	28,125.54	(13,545.28)	14,580.26	5,334.30	(1,823.13)	3,511.17	16,118.52	584.25	16,702.77
September 10	7,000.98	(3,522.52)	3,478.46	1,430.10	(491.01)	939.09	4,062.94	147.60	4,210.54
October 10	7,000.98	(3,522.52)	3,478.46	1,430.10	(491.01)	939.09	4,062.94	147.60	4,210.54
November 10	7,000.98	(3,522.52)	3,478.46	1,430.10	(491.01)	939.09	4,103.05	147.60	4,250.65
December 10	7,000.98	(3,522.52)	3,478.46	1,430.10	(491.01)	939.09	4,103.05	147.60	4,250.65
January 11	7,000.98	(3,522.52)	3,478.46	1,430.10	(491.01)	939.09	4,103.05	147.60	4,250.65
February 11	7,000.98	(3,522.52)	3,478.46	1,430.10	(491.01)	939.09	4,103.05	147.60	4,250.65
March 11	7,000.98	(3,522.52)	3,478.46	1,430.10	(491.01)	939.09	4,103.05	147.60	4,250.65
April 11	<u>7,000.98</u>	<u>(3,522.52)</u>	<u>3,478.46</u>	<u>1,430.10</u>	<u>(491.01)</u>	<u>1,921.11</u>	4,103.05	<u>147.60</u>	<u>4,250.65</u>
SUBTOTAL	56,007.84	(28,180.16)	27,827.68	11,440.80	(3,928.08)	8,494.74	32,744.18	1,180.80	33,924.98
TOTAL	84,133.38	(41,725.44)	42,407.94	16,775.10	(5,751.21)	12,005.91	48,862.70	1,765.05	50,627.75

Here's the numerical summary at a glance:

Total Budgeted: Active Employees	
General Fund	1,446,353.00
Water Fund	163,071.00
Sewer Fund	146,439.00
	1,755,863.00
Estimated Benefit Costs - Active Employees	
Medical	1,722,423.81
Dental	42,407.94
Vision	12,005.91
	1,776,837.66
Difference	(20,974.66)
Total Budgeted: Retirees	
General Fund	395,000.00
Estimated Benefit Costs	406,530.70
Difference	(11,530.70)

Life Insurance	
General Fund	47,000.00
Water Fund	4,676.00
Sewer Fund	5,176.00
Total Budgeted	56,852.00
Estimated Benefit Costs	56,627.75
Difference	6,224.25
Overall Budget Surplus(Deficit)	(26,281.11)

Recommendation

The City Manager recommends that the Council approve the renewal of our contracts with Blue Cross, Assurant, and VSP, with the changes as presented above. Department Heads in each of the three funds will make adjustments in their respective budgets to accommodate the projected budget deficit for benefits. It is also recommended that the Council continue to fund 100% of the deductible as an incentive for more employees to choose the HSA plan, as it will result in a savings for both the City and employee. If more employees choose the HSA plan it will lower the overall costs outlined above.

D. Consideration of an Administration Request for Direction Regarding a Temporary Reduction in City Impact Fees to Promote Housing Starts.

On July 8, Shodeen Residential, Ltd., the new owner of the Reston Ponds development east of Somonauk Street and north of Bethany Road, approached the City staff with a proposal that the firm believes might stimulate housing starts in the City of Sycamore. As the Council is well aware, annual housing starts have plummeted since their local peak in 2005, when 248 detached single family units and 457 attached units (e.g. condos, townhouses, duplexes and apartments) were permitted (see the attached tables). In 2009 only 10 detached single family homes were permitted and 30 attached single family or multi-family units were permitted. Regional projections do not promise a rapid and dramatic turnaround. In Sycamore, of the ten single family detached home permits issued between January 1 and June 1, 2010, two have been for model homes and three have been for spec homes in Reston Ponds. None of the five permitted structures for Reston Ponds have buyers. The 94% drop in annual housing starts over a four-year period is a stunning statistic, and has had a profound impact on the local economy in terms of construction-related jobs, local retail sales, and housing values. As housing starts and housing values have dropped, the property tax receipts of local taxing bodies have likewise been strained. In fact, it appears that the flattening of local EAV growth will result in a negative multiplier as levies are considered this fall.

Interestingly, on June 22 of this year, before the Shodeen request was received, the executive director of the Sycamore Park District, David Peek, approached the city manager in his board’s behalf with a proposal to reduce the Park’s impact fees in the hope of stimulating housing starts. In consideration of these like impulses from very different sources, the city manager called a meeting of representatives of the Sycamore School District and Park District and Shodeen Residential on July 20. For the sake of discussion, a proposal that would reduce all local impact fees by 15% until the end of the 2010 calendar year was discussed (a \$2,252

credit). A table comparing the fees in DeKalb and Sycamore is attached. The Sycamore Park fees were increased on October 20, 2008, and were the last to be revised.

**A Comparison of All Developmental Exactions Affecting Residential Development
Example: Four Bedroom Homes**

	DeKalb	Sycamore
School Capital Fee	\$7,200	\$0
School Transition Fees	\$1,200	\$0
School Transfer Tax*	\$0	\$1,925
School Land/Cash Fee	\$1,929	\$5,560
City Annexation Fee**	\$333	\$1,500
City Water Capital Fee	\$2,234	\$1,232
City Sewer Capital Fee***	\$1,253	\$2,205
Park Land/Cash Fee	\$4,378	\$2,427
Library Land/Cash Fee	\$0	\$165
City Road Fee	\$1,200	\$0
City Public Building Fee	\$1,000	\$0
Total	\$20,727	\$15,014

*Estimated list price of new 4 BR home in Sycamore: \$385,000 (times .005 = \$1,925)

**Sycamore's residential annexation fee is \$3,000/acre and assumes 2 units per acre; DeKalb's fee is \$1,000/acre and assumes 3 units per acre.

***In DeKalb, the DeKalb Sanitary District imposes the fee.

The School and Park representatives will be polling their respective boards on the possibility of a fee revision.

Aside from anecdotal information from prospective buyers, it is difficult to accurately measure the impact of any incentive such as a fee reduction. However, we do know that the \$8,000 federal credit extended to home buyers who signed contracts by April 30 of this year had a positive impact on both new and existing home purchases nationwide, although some have argued that the credit only pulled sales forward and that sales are likely to flatten now that the credit has passed. Perhaps in anticipation of this possibility, Congress recently extended the deadline to close on these contracts to the end of September. The City of Genoa tried a slightly different incentive in the second half of 2009. With the cooperation of its local taxing bodies, a moratorium on impact fees (except the City's connection fees) was implemented for six months with limited result.

It is clear that depressed home prices and very low fixed-rate mortgage rates are not spurring home purchases locally. Tougher credit checks, crimped savings, and more cautious household spending are clearly countervailing factors. Will lower government exactions be considered an “affordability” gain?

City Council direction is requested. It should be noted that any change would have to apply to all new home purchases within the corporate limits.

E. Consideration of an Administration Recommendation for a Closed Session to Discuss Land Acquisition.

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