
**SYCAMORE CITY COUNCIL – SPECIAL MEETING
MINUTES OF MARCH 17, 2010**

ROLL CALL

Mayor Ken Mundy called the meeting to order at 7:00 p.m. and City Clerk Candy Smith called the roll. Those Alderpersons present were: Alan Bauer, Steven Braser, Terry Kessler, Rich Neubauer, Pete Paulsen, Chuck Stowe, Gregory Taylor, and Janice Tripp.

APPROVAL OF AGENDA

Motion

Alderperson Bauer moved to approve the agenda and Alderperson Taylor seconded the motion.

Voice vote

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

RESOLUTIONS

A. Resolution No. 533—A Resolution Authorizing the City Manager to Execute a Contract with Harbour Contractors, Inc. of Plainfield, IL to Complete the Construction Of An Addition to the Existing Police Facility At 535 DeKalb Avenue.

City Manager Nicklas said as a result of the value engineering they have done since February 26 the lowest responsible total bid has been reduced to \$3,228,692.75 with another \$36,544.95 in possible reductions. He said those adjustments have been memorialized in the attached value engineering spreadsheet to confirm the understanding reached with the general contractor. He said this resolution authorizes his signature on a contract not to exceed \$3,225,000.

Motion

Alderperson Neubauer moved to approve Resolution 533 and Alderperson Kessler seconded the motion.

Alderperson Kessler said she had no doubt the numbers will be brought in at what we budgeted for just as the numbers were kept to budget on Fire Station II.

Roll call vote

Mayor Mundy called for a roll call vote to approve the motion. Alderpersons Bauer, Braser, Kessler, Neubauer, Paulsen, Stowe, Taylor and Tripp voted aye. Motion carried 8 – 0.

CONSIDERATIONS

A. Consideration of the Preliminary FY2010-2011 City Budget.

GENERAL FUND

Revenues

City Manager Nicklas said the proposed budget in the amount of \$12,731,587 is subject to threats of sales tax and state shared revenues because of the state of the economy.

Aldersperson Taylor asked about the increase in City sales tax on page 10.

Mr. Nicklas said that increase was by Council action.

Mr. Nicklas explained that if the increase in health insurance of \$232,000 and central dispatch of \$38,000 the total increase of new spending is about \$160,000 which is less than 2% overall which is trending about right for contractual increases.

Aldersperson Kessler asked the rate of increase for County dispatch.

Mr. Nicklas said this year it is just under 5% base on their costs. He said they are coming out of a 5-year contract which was back-loaded.

Aldersperson Kessler asked if the fee was based on service and not the system.

Mr. Nicklas said if they add another community the City would be at the table to negotiate a fair share.

Expenditures

Mayor/Council

Mr. Nicklas said the legal services are biggest expense which will probably exceed \$95,000 this year.

Mayor Mundy noted there were many liquor issues this year requiring legal services such as new license types.

City Clerk

Mr. Nicklas noted that part-time clerk, Bobbie Lundberg, would be retiring April 30, 2010 and that position along with the administrative secretary will be combined into a full-time position. He said that is incorporated into the budget, but will not have much affect on the City Clerk's budget. He said this budget is down from the previous year as are all but two operating department budgets.

Administration

Mr. Nicklas said this department would carry the other half of the newly created secretarial position.

Police Department

Mr. Nicklas said there will be no new hires, but they plan to maintain the School Resource Office. He said the major issue will be the police addition project which should be substantially completed by December 2010.

Aldersperson Taylor said there is a significant increase in regular salaries with no change in the personnel numbers.

Mr. Nicklas said some of that has to do with people moving through the steps in the police contract and a lag in rehiring for some turnover in the current fiscal year.

Fire Department

Mr. Nicklas noted that Chief Riddle will retire April 30, 2010 and Mark Kessler is pegged to be Fire Chief as of May 1 which will leave an opening in Assistant Chief. He said that per his recommendation and Council concurrence that a second Assistant Fire Chief be hired if savings could be found to fund it and those items are listed on page 11. He said the selection process was underway. He stated that overall calls are down for structure fires, but EMS and safety calls are up.

Public Works

Mr. Nicklas explained that Public Works is made up of three entities with the functions funded by the general fund is a smaller portion than those funded by the Water Fund and the Sewer Fund. He said this portion has no surprises. He said that Public Works works hand-in-hand with the Engineering Department to work-up the annual street maintenance program.

Alderspersion Taylor asked about the High School ICE student position and if it was a paid position.

Public Works Director Busse said it was a cooperative program where a junior or senior student would work three hours per day and because of budget constraints decided not to participate this year. He said they have hired participants from previous years and will participate again when times change.

Engineering Department

Mr. Nicklas said that as part of a reorganization the Building and Engineering will be combined because Lyle Doty will be retiring. He said there will be no new hires just a replacement for Lyle Doty.

Building and Zoning Department

General Fund Support

Mr. Nicklas this omnibus fund has relevance to all departments including our insurances and the garbage contract payouts which is mostly a wash because that revenue is taken in. He noted that our workman's comp experience last year is much reduced from claims and he thanked Jean Tritle and the Safety Committee for that because it was a group effort with Jean Tritle as the driver.

Alderspersion Kessler asked the length of Waste Management's contract.

Mr. Nicklas said there is one year left on that contract and will open negotiations some time in the fall preferably after the landfill negotiations.

ENTERPRISE FUNDS (users pay fees for services)

Water Fund

Mr. Nicklas noted that the veritable collapse of the housing industry has shown an affect on this fund and the sewer fund. He said the user fees revenue is projected to be off from what was projected this year. He said this fund is a source for debt payment for a number of loans. He said this will probably come back to Council for review of user fees because we have a clear idea of our loan obligations for the new water tower and the EPA wants to see what we actually have assigned in the way of user fees.

Aldersperson Tripp asked if the drop of \$200,000 was people conserving water.

Mr. Nicklas said he thought that could be part of it and also there was no construction going on.

Aldersperson Braser said another reason may have been down because of the cold, damp summer.

Sewer Fund

Mr. Nicklas explained that the Treatment Division is in the midst of Phase I of the Treatment Plant upgrade and hope to see a kickoff of Phase II.

Special Funds

Water Impact Fee Fund – Mr. Nicklas said that a portion of the site work to be done at the Engh Farm will come out of this fund and he will show that before this comes back for approval in April. He said that line item 4503 under revenue will say \$220,000 from the water fund. He said he would provide new pages.

Sewer Impact Fee Fund – Mr. Nicklas said that this fund will be adjusted for site improvements that will reduce the fund balance. He said that this and the Water Impact Fee Fund have both flattened out with very little building happening.

Hotel/Motel Tax Fund – Mr. Nicklas explained that grants to the Sycamore Chamber, VAC, DeKalb County Community Foundation, DCEDC, and the Downtown Façade grants come out of this fund.

Foreign Fire Insurance Tax Fund – Mr. Nicklas said City Council does not dictate how this fund is spent, but it is part of our budget. He said all the City asks is to be informed about the numbers going in and out of the fund.

Police Pension Fund/Fire Pension Fund – Mr. Nicklas said these funds have seen some recovery recently.

Employee Benefit Assistance Fund – Mr. Nicklas said this fund pays accrued leave payouts for retiring employees.

Transfer Tax Fund – Mr. Nicklas said this is another declining revenue fund, but the good news there is still property being bought and sold that pay this tax.

Radium Decommission Fund – Mr. Nicklas explained that this fund is there to make sure that if we decommission our radiant treatment facilities there are funds to remove the contaminated media.

Capital Funds

Capital Assistance Fund 6 – Mr. Nicklas said this fund gets most of its money from ¼% of the Home Rule tax which is about \$500,000. He said this year a transfer of \$228,358 from this fund to the General Fund will offset a shortfall in general operating revenues. He listed other expenditures as a portion of a mini-excavator, some debt service, the sidewalk replacement program, consulting services, and a contingency allocation of \$50,000.

Aldersperson Neubauer said he would like to spend more than \$25,000 on sidewalks.

Mr. Nicklas said there are bad sidewalks out there, but we do this on a complaint basis and if we had to we could put in a little bit more. He said the point is well taken.

Motor Fuel Tax Fund – Mr. Nicklas said the biggest expense for this fund this year will be the \$375,000 which will augment the street maintenance fund and bring us up to just under \$1.3 million. He said this will be our biggest year for our street maintenance program in the three years of its existence. He said this fund will also pay for salt purchases and some eligible engineering costs.

Road & Bridge Fund – Mr. Nicklas said this fund helps fund debt service in the general fund.

Public Building Fund – Mr. Nicklas said this fund brings in revenue for maintenance of the Sycamore Center and will be tapped into in FY12 for a new roof and expensive tuck-pointing.

Downtown Façade Grant Fund – Mr. Nicklas said he was still waiting for an application from last fall.

Aldersperson Kessler asked why a balance was carried over in this fund and not transferred to another fund.

Mr. Nicklas said this could be used for some undefined purposes like help after a fire in a downtown building.

Tax Increment Financing Fund – Mr. Nicklas said they will focus more on the northern end of the TIF such as help with the demolition of the Fargo Motors site.

Sales Tax Distributive Fund – Mr. Nicklas explained that this fund has been a really critical capital fund over recent years for big ticket items.

Street Maintenance Fund – Mr. Nicklas explained that this fund shows about \$900,000 toward the Street Maintenance program.

BOND & LOAN FUNDS

Mr. Nicklas noted the most recent 2009 Bond Fund was issued to fund the construction of a new Police Department addition.

DEBT SERVICE

Mr. Nicklas said the debt service is up a bit this year, but we are coming down on some of the long-standing loan funds and that will be nice because we will see some real drops in our annual overhead.

Aldersperson Tripp asked how much longer the Bemis agreement would last.

Mr. Nicklas said that was tied to an amount of \$1 million and not to a timeline.

Aldersperson Kessler said we are waiting to be released by the EPA on the property on South Avenue in the TIF District and if it would be brought back to Council for discussion regarding what to do with that property.

Mr. Nicklas said we are on somebody else's schedule to be released and said we found out about 4 years ago that unless we want to spend a lot of money, we are stuck with slab foundations and we will probably be working with adjacent owners who may want to purchase that property.

Mayor Mundy said he appreciated the budget preparation work and said that he is thankful that we are in a position to weather this economic storm.

ADJOURNMENT

Motion

Aldersperson Stowe moved to adjourn the meeting at 8:20 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