

**SYCAMORE CITY COUNCIL**  
**AGENDA**  
February 16, 2009

**CITY COUNCIL COMMITTEE MEETINGS**

**6:30 P.M. Meeting of the City Council Public Works Committee  
Regarding an Appeal from Zack Siddiqui Regarding a Requirement to  
Install Public Sidewalk at 2212 Coltonville Road.**

At the last regular City Council meeting of February 2, Mr. Siddiqui requested a waiver on the code requirement for frontage sidewalk along the apartment building he has recently completed at 2212 Coltonville Road. His request originally went to the City's Building department—a copy of his letter is attached. The Council unanimously approved the annexation of the 0.636-acre parcel on August 21, 2006 and also approved its rezoning to "R-3," Multiple Family Residence district to allow Mr. Siddiqui to build his six-unit apartment. At the time of the annexation, the owner did not request a waiver of the public sidewalk requirement.

In his letter to the Building department, Mr. Siddiqui explains that the installation of a frontage sidewalk would be a hardship owing to conflicts with existing trees and utilities. In addition, he points out that the properties abutting the east and west sides of his property have no frontage sidewalks.

**Committee direction is requested.**

**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 February 2, 2009.
- B. Payment of the Bills for February 16, 2009.
- C. Plan Commission Minutes for the Meeting of January 12, 2009.

7. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**

- A. Swearing-in new Police sergeant Jeff Wig.
- B. Proclamation Declaring February 23, 2009 as “Rotary Day” in the City of Sycamore.

8. **REPORTS OF OFFICERS**

9. **REPORTS OF STANDING COMMITTEES**

10. **PUBLIC HEARINGS**

**A. Public Hearing on the Proposed Annexation of the Walters and Cambier Farms Located at the Northeast Corner of Brickville Road and Peace Road.**

The background for this topic can be found under Ordinance No. 2008.74.

11. **ORDINANCES**

**A. Ordinance No. 2008.73—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to a Petition to Vacate Hollnick Drive and to Resubdivide the Tsiagalis Subdivision in the City of Sycamore, Illinois. First and Second Reading.**

On July 21, 2008 the City Council approved the rezoning of a portion of the property at 112 Kingsway Drive from “C-2” Central Business District to “R-3” Multiple Family Residence District. The property is located immediately north of the Parkway Restaurant. This action created a larger area of “R-3” zoning to permit the development of seven apartment units.

The Council may recall that the concept plan for the apartment units showed a street right-of-way—Hollnick Drive—at the north edge of the parcel that had never been built. The City no longer has any interest in building a public street at this location, so the vacation of the public right-of-way will afford some additional space for parking and site work to address floodplain issues. As required by state statute, the vacated right-of-way is divided equally between the adjacent landowners, so the northern half of the right-of-way would go to Joe Manczko.

The right-of-way vacation is accompanied by a re-subdivision that is consistent with the zoning of the surrounding property. A re-subdivision plat is attached. A conceptual exhibit showing the possible apartments on the site is also attached. The precise number of apartments must conform to existing City zoning and building code provisions. As reported in July 2008, the location of any units with respect to the floodplain limits is subject to the review of the Illinois Department of Natural Resources (IDNR). In November, 2008 Jim Sparber with Rempe-Sharpe Consulting Engineers sent the engineering site plan with the required cut and calculations for the proposed seven-unit multiple family project to the

Illinois Department of Natural Resources, Office of Water Resources, for their review. In December, 2008 Rempe-Sharpe received approval from Mark McCauley, Senior Permit Engineer with IDNR, that the project as shown can be authorized by Statewide Permit No. 6 so the project can now move forward for City approval.

The Plan Commission considered this petition on February 9 and voted 9-2 (Bridgewater, Evans objecting) to recommend the Council's approval. City Council approval of the Plan Commission recommendation is requested.

**B. Ordinance No. 2008.74—An Ordinance Concerning the Recommendation of the Plan Commission With Regard to a Petition to Annex Property at the Northeast Corner of Peace Road and Brickville Road and Rezone the Property to “R-2,” Two Family Residence District, Planned Unit Development, with a Special Use Permit for Single-Family Attached Dwellings and “R-3,” Multiple Family Residence District, Planned Unit Development with a Special Use Permit for an Assisted Living Facility and “R-1,” One Family Residence District in the City of Sycamore, Illinois. First Reading Only.**

At the December Plan Commission meeting, John Pappas presented a revised concept plan for the development of the Walters and Cambier farms at the northeast corner of Peace Road and Brickville Road. On September 2, 2008, the City Council had voted 5-4 to oppose a planned development and annexation brought by Mr. Pappas which featured detached single family homes and an assisted living facility immediately west of the Stonegate townhouse development (six votes are needed in the case of annexation agreements). The new concept plan retained an assisted living facility and featured duplex lots for persons 55 years of age or older. The Commission was interested in his new direction and encouraged him to return with a formal petition.

**The Development Plan**

The proposed development plan has the following features:

1. Land Uses.
  - An assisted living facility on a 2.874-acre site adjacent to the Stonegate development.
  - 144 duplex lots for persons 55 years of age or older. This is the principal difference from the plan reviewed by the Commission and Council last summer. In the September 2008 plan, a total of 108 single family lots were proposed with an average size of one-half acre. The new concept shows 144 smaller lots with an average size of one-third acre (90 feet x 165 feet). The ability of Mr. Pappas to restrict ownership by age is based on the provisions of the Fair Housing Act of 1995, and the Housing for Older Persons Act of 1995. These federal enactments permit developers to require that buyers be 55 years of age and over, and have no children in their units under the age of 19 for more than 30 consecutive days or 45 days in any six month period. These provisions effectively preclude the possibility that school-aged children will remain long enough to be enrolled in the local school system. In June 2004, the Council approved the one and only age-restricted housing development in Sycamore, Gracious Living Homes (a.k.a. Somerset Farms), which is located on a

17-acre parcel south of Bethany Road and immediately west of the City's regional detention pond.

- One (1) single family lot of about 0.75 acres to provide a more agreeable transition to the existing homes on the present Brickville Road.
  - A clubhouse area on a 1.5-acre site near the project's main entrance and backing up to the proposed detention lake.
  - Public park land totaling 3.174 acres.
2. Gross Density. The density of the duplex portion of the development (approximately 76.5 acres) is 3.76 units per acre (288 units divided by 76.5).
  3. Access. There are essentially two access points. The chief access point is at the re-aligned Brickville Road and the other connects the proposed subdivision with the Stonegate development and Frantum Road to the east. To minimize the impact of new traffic on Brickville Road as it winds toward Peace Road, Mr. Pappas has collaborated with the Sycamore Township Road Supervisor, Tom Reynolds, to develop a dramatic re-routing of Brickville Road (see the attached concept plan). The developer would build a new roadway of 2,050 feet at the developer's sole expense (estimated to be about \$500,000) that would course more directly toward Motel Road. After its construction, the new roadway would become a City street and be named appropriately. The Township would continue to maintain Brickville Road (to retain its name), which would experience a remarkable decline in usage.
  4. Bikepaths. The attached concept plan shows a dashed brown line along the south side of Stonegate Drive connecting to a bike path along the east side of Brickville Road that connects to Motel Road on the west end of the property and Peace Road to the east.
  5. Open Space. The plan dedicates 17% of the overall land area to open space, either in the form of conservation areas to be maintained by a homeowner's association, or public park land. The City requirement for open space in a low-density planned residential development is 10% (UDO, Article 4.3.4.B.11 "Planned Development: Residential").
  6. Buffer Areas. The rear yards of the homes on the north side of the present Brickville Road are buffered from traffic on the re-aligned Brickville Road by either natural or detention areas. The west, north and east sides of the development adjoin mature tree stands which will remain undisturbed. The inability to serve the adjacent land areas in terms of future sanitary sewer line capacity will sustain the presence of these trees.

### **The Annexation Agreement**

The principal terms of the annexation agreement are as follows:

1. The Name. "Vellagio Estates."
2. The Term. The agreement runs for twenty years (Section 24).
3. Performance Guarantees. The Owner may provide an irrevocable letter of credit or bond security for the public improvements on the site (Section 5.3).
4. Fees. The Owner shall comply with the City's annexation and impact fees (Section 5) and Park fees (Section 16.3) as they may be amended from time to time. Because of the effective age-centered restrictions, no School impact fees are proposed, but the transfer tax of \$5 per thousand dollars of value upon the transfer of property shall apply (Sections 16.1 and 16.2). Finally, in the event the City enacts an ordinance which creates

a transportation impact fee for addressing the fiscal impact of development on the City's transportation system, the amount of such impact fee as amended from time to time shall be payable at the time a building permit is issued for each duplex unit (Section 16.4).

5. Developmental Exactions. The Owner is not required to comply with the time limitations on the issuance of the first permit as defined in Ordinance 2005.60, but is required to comply with the limitations on the number of permits that may be issued annually, per Ordinance 2005.60 (Section 17.1).

6. Water Main, Storm Sewer and Sewer Main Extensions. The Owner shall provide proper storm sewer, sanitary sewer and water main systems in accordance with the City's standards and at the developer's sole expense (Section 12).

7. Variations. No variations from the City's codes and ordinances are requested, except as noted above.

### **Traffic Study**

Wendler Engineering performed a traffic study for this project in September 2008. The traffic study showed the total ADT from the developed site at 1,260 vehicles with an estimated 70% to the entrance from Brickville Road and 30% to Stonegate Drive. It was assumed that the morning and afternoon traffic volumes would be the same. Of the 880 vehicles to and from the Brickville Road entrance it was estimated that 800 vehicles would go to and from Peace Road and the remaining 80 vehicles to Brickville Road to and from the north. The change from single-family detached housing to senior housing would normally change some of the assumptions about average daily trips. However, the additional number of units in the senior housing project probably offsets the lower number of daily trips assigned to individual senior housing units. In short, it has been assumed that the traffic impacts outlined in the September report are still generally valid.

### **Summary and Recommendation**

The age restriction effectively removes any potential negative fiscal impact on the school district, and adds a significant property value for the taxing purposes of all local taxing bodies. In the absence of floor plans, this preliminary conclusion is based on the following working assumptions:

- ✓ 144 duplex lots, of which three-fourths (108 lots or 216 units) are assumed to be occupied by owners who would qualify for the senior citizen homestead exemption. This exemption is available to persons 65 years or older who live in and own their home. This exemption is worth \$4,000 off the assessed value of the property, in addition to the owner-occupied exemption of \$5,500.
- ✓ Each duplex unit is valued at \$225,000 to \$250,000 (an average of \$240,000 is used for illustrative purposes).
- ✓ An average of 1.85 adults per duplex unit. The City's ongoing occupancy survey (see attached) which has been running since December 2005 shows 1.85 adults per occupancy. The actual number may be less because of the bias toward householders without children.
- ✓ The assisted living facility will have an occupancy level of 54-61 residents and an EAV of \$1,577,728. This is a very provisional assumption using the EAV and the occupancy of the Grand Victorian facility on Somonauk Street.

✓ 75% of the duplexes will have two bedrooms and 25% will have three bedrooms. These assumptions are relevant to the Park impact fee calculation. The City impact fees for sewer and water connections will also apply because water and sewage impacts are expected no matter the age, sex, or education of the occupant.

A potentially significant service obligation on the part of the City attends the long-term maintenance and repair of the public subdivision streets shown on the concept plan. However, either the imposition of a transportation impact fee or the inclusion of such a fee obligation in the annexation agreement could offset the capital cost of such infrastructure work over time. An assessment of the potential property tax revenue from this development is shown in the tables that follow.

**Property Tax Projections:**

<b>Senior Owner Occupied Attached Homes (75% or 216 units)</b>			
Home Price:	\$240,000		
Gross EAV:	\$80,000		
Owner Occupied:	-\$5,500		
Senior Exemption:	-\$4,000		
Net EAV:	\$70,500		
Tax Bill/Distribution:	Tax Rate*	Extension:	216 units:
City of Sycamore	0.58178	\$410.15	\$88,593.46
Kishwaukee College	0.54965	\$387.50	\$83,700.70
County	0.84486	\$595.63	\$128,655.28
Forest Preserve	0.06768	\$47.71	\$10,306.31
Sycamore Schools	4.78311	\$3,372.09	\$728,371.99
Sycamore Library	0.18598	\$131.12	\$28,321.03
Sycamore Park	0.41622	\$293.44	\$63,381.98
Road and Bridge	0.22567	\$159.10	\$34,365.03
Sycamore Township	0.10888	\$76.76	\$16,580.25

<b>Non-Senior Owner Occupied Attached Homes (25% or 72 units)</b>			
Home Price:	\$240,000		
Gross EAV:	\$80,000		
Owner Occupied:	-\$5,500		
Senior Exemption:	\$0		
Net EAV:	\$74,500		
Tax Bill/Distribution:	Tax Rate*	Extension:	72 units:
City of Sycamore	0.58178	\$433.43	\$31,206.68
Kishwaukee College	0.54965	\$409.49	\$29,483.23
County	0.84486	\$629.42	\$45,318.29
Forest Preserve	0.06768	\$50.42	\$3,630.36
Sycamore Schools	4.78311	\$3,563.42	\$256,566.02
Sycamore Library	0.18598	\$138.56	\$9,975.97
Sycamore Park	0.41622	\$310.08	\$22,326.04
Road and Bridge	0.22567	\$168.12	\$12,104.94
Sycamore Township	0.10888	\$81.12	\$5,840.32

<b>Assisted Living Facility</b>			
Net EAV:	\$1,577,728		
Tax Bill/Distribution:	Tax Rate*	Extension:	
City of Sycamore	0.58178	\$9,178.91	
Kishwaukee College	0.54965	\$8,671.98	
County	0.84486	\$13,329.59	
Forest Preserve	0.06768	\$1,067.81	
Sycamore Schools	4.78311	\$75,464.47	
Sycamore Library	0.18598	\$2,934.26	
Sycamore Park	0.41622	\$6,566.82	
Road and Bridge	0.22567	\$3,560.46	
Sycamore Township	0.10888	\$1,717.83	
*Uses proposed 2008 City Tax Rate and 2007 Tax Rates for other taxing bodies.			

<b>Total Residential/Assisted Living Property Tax</b>			
Net EAV (upon completion):	\$22,169,728		
Tax Bill/Distribution:	Tax Rate*	Extension:	
City of Sycamore	0.58178	\$128,979.04	
Kishwaukee College	0.54965	\$121,855.91	
County	0.84486	\$187,303.16	
Forest Preserve	0.06768	\$15,004.47	
Sycamore Schools	4.78311	\$1,060,402.48	
Sycamore Library	0.18598	\$41,231.26	
Sycamore Park	0.41622	\$92,274.84	
Road and Bridge	0.22567	\$50,030.43	
Sycamore Township	0.10888	\$24,138.40	
*Uses proposed 2008 City Tax Rate and 2007 Tax Rates for other taxing bodies.			

**Impact Fee Calculation:**

	2 BR ATT	Total 2BR (216 units):	3 BR ATT	Total 3BR (72 units):	Total Impact Fees:
Library	\$82.25	\$17,766.00	\$120.32	\$8,663.04	\$26,429.04
Park District	\$1,311.00	\$283,176.00	\$1,917.00	\$138,024.00	\$421,200.00

**City Revenues:**

	Acres	Per Acre:	Total:		
<b>Annexation Fee</b>	94.95	\$3,000.00	\$284,850.00		
<b>State Shared</b>	Population*	Per Capita**	Total:		
Income Tax	587	\$92.40	\$54,238.80		
Use Tax	587	\$14.10	\$8,276.70		
MFT Tax	587	\$26.30	\$15,438.10		
*Assumes 1.85 people per household, 54 adults in Assisted Living Care.					
**Uses IML estimates for State of Illinois FY2010, released 10-31-08.					

Sales Tax*	Audit FY2008	Population	Per Capita	Less 20%	
State 1%	\$2,834,383	15,500	\$182.86	\$146.29	
GF Home Rule .50%	\$951,090	15,500	\$61.36	\$49.09	
Restaurant/Bar	\$738,492	15,500	\$47.64	\$38.12	
Estimated Sales Tax Generated Per Year*					
	Population*	Discounted Per Capita	Total		
State 1%	533	\$146.29	\$77,972.96		
GF Home Rule .50%	533	\$49.09	\$26,164.18		
Restaurant/Bar	533	\$38.12	\$20,315.68		
Capital HR .25%	533	\$24.54	\$13,082.09		
Road Fund HR .50%	533	\$49.09	\$26,164.18		
Total Sales Tax			\$163,699.09		
*Does not factor in those in Assisted Living Care.					

Recommendation:

Since the Unified Development Ordinance (UDO) went into effect on May 1, 2005, all planned unit developments have been reviewed as special uses with all the public scrutiny and detailed documentation that such uses deserve. Section 4.3.4, B, “Planned Developments,” Subsection 9, “Effect of Denial of a Special Use” of the UDO (p. 60) requires a significant revision if a development plan is to merit further consideration as a planned unit development within one year of a Council denial of a special use petition. The proposed age-restricted development is a significant departure in terms of site layout and fiscal impact and merits the Commission’s attention.

The proposed development is welcome in these economic times. The fiscal benefits, along with the street realignment at the developer’s expense, are measurable and positive contributions. The additional benefit of diverse housing for seniors who will shop our stores and use our medical, social, and recreational services is likewise significant.

The Plan Commission considered this petition on February 9. The Commission voted 11-0 to recommend the Council’s approval. In recent years, the Council has preferred to consider residential annexations over several sessions in order to gather the widest possible public opinion. Consistent with this approach, City Council consideration on first reading only is recommended. Unless new factual information is gained in the next two weeks affecting our appraisal of the project’s fiscal and economic impact, the City Manager will request City Council approval of the Plan Commission recommendation at the regular Council meeting of March 2.

**C. Ordinance No. 2008.76—An Ordinance Approving a Collective Bargaining Agreement Between the City of Sycamore and Local 3046 of the International Association of Firefighters. First and Second Reading.**

The attached contract contains revisions (highlighted in red) that reflect the City’s understanding of Arbitrator Hill’s opinion released in early January. The City and IAFF Local 3046 opened contract negotiations on February 6, 2008. After 15 collective bargaining sessions and two lengthy but unsuccessful mediation sessions (on July 17 and August 7)

with a representative of the Federal Mediation and Conciliation Service, the City of Sycamore requested interest arbitration on August 21, 2008. The arbitration process is deliberate and extended. The arbitration hearings were not opened until November 12 and the neutral arbitrator's opinion was not issued until January 3, 2009. A detailed timeline follows:

- January 4, 2008. In advance of City Council discussion in open session on January 7, 2008 the City Manager's FY09 Fiscal Budget targets including wage/salary assumptions involving a 4% across-the-board increase are distributed to the City Council, City department heads, and all union local presidents.
- January 4, 2008. AFSCME negotiations begin.
- January 17, 2008. FOP negotiations begin.
- February 6, 2008. Negotiations opened with IAFF.
- February 18, 2008. City Council approves contract with AFSCME Local 3957 after the union local's ratification, which includes the 4% wage increase and one-year term recommended by the City Manager in his January 4 report to the Council.
- February 22, 2008. City and IAFF negotiating team agree to go "off the record" to discuss the offer that City management had already extended to the FOP and AFSCME teams. The offer is a 4% wage increase across the board in the context of a one-year contract in light of worsening economic conditions, with consideration of non-economic language changes that would clarify any informal understandings reached in labor-management discussions since the last contract was approved. IAFF negotiating team declines to accept the offer already accepted by the City management, AFSCME, and FOP (either in principle or in fact) and proposes to negotiate over 23 of the 52 contract articles.
- March 3, 2008. City Council approves contract with FOP Lodge 133 after the Lodge's ratification. Contract is centered on the 4% wage increase and one-year agreement recommended by the City Manager in his January 4 report to the City Council.
- May 19, 2008. After several negotiating sessions with the IAFF negotiating team seven articles are tentatively agreed upon.
- July 17, 2008. Sensing a possible agreement, a Mediator from the Federal Mediation and Conciliation Service is brought in to assist.
- August 7, 2008. A second meeting with the Mediator is unsuccessful as the IAFF adds a new request and the City declares an impasse.
- August 21, 2008. The City requests Interest Arbitration with an application to the Illinois Labor Relations Board.
- August 25, 2008. The City receives a listing of potential arbitrators to select from.
- September 22, 2008. Marvin Hill is selected as Arbitrator in the case and accepts the appointment.
- September 26, 2008. The City and IAFF meet with the Arbitrator to discuss ground rules including comparables.
- October 9, 2008. The City and IAFF meet to discuss comparables and come to agreement. The IAFF proposes that the City re-open negotiations, which the City declines, as "off the record" discussion does not suggest acceptable movement on the issues.
- November 5, 2008. The City submits a "last best offer" to the IAFF.
- November 7, 2008. The IAFF submits a "last best offer" to the City, which includes a 3 year contract and for the first time a wage increase for the second year.
- November 12, 2008. The Arbitration hearing begins with the IAFF presenting to the Arbitrator.
- November 25, 2008. The City's case is presented to the Arbitrator.
- December 8, 2008. The City and IAFF offer rebuttal and closing statements before the Arbitrator.
- January 3, 2009. Arbitrator Hill issues awards in the Arbitration between the City of Sycamore and the IAFF local 3046.

Arbitrator Hill's opinion addressed 13 issues. The City and union positions evolved on most of these issues over time. The attached table captures these evolving positions up to the arbitration hearings.

Issue:	City of Sycamore			IAFF		
	3/7/2008	6/3/2008	Last Best Offer	3/19/2008	6/25/2008	Last Best Offer
Term of Contract/Wages	1 year, 3.0%	1 year 3.75% or 1 year 3.75% w/ 2nd year re-opener	1 year 4% w/ 2nd year re-opener	1 year, 4%	1 year, 4%	3 year; 4% yr 1, 3.75% year 2, re-opener year 3
Number of Steps	9	9	8	6	6	8
Paramedic Bonus	No Change, \$2400	No Change, \$2400	No Change, \$2400	5% of salary added to base wages	4% of salary added to base wages	\$3000 stipend
Career Service Bonus	No Change, \$250-1250	No Change, \$250-1250	No Change, \$250-1250	2%-6% of base wage	1%-3% of base wage	Defer to re-opener
Quartermaster Bonus	No Change, \$0	No Change, \$0	No Change, \$0	\$1,200	\$1,200	\$600
Technical Rescue Awareness Bonus	No Change, \$0	No Change, \$0	No Change, \$0	\$200	\$100	Defer to re-opener
Fire Apparatus Engineer Bonus	No Change, \$0	No Change, \$0	No Change, \$0	\$300	\$200	Defer to re-opener
Vehicle and Machinery Operations Bonus	No Change, \$0	No Change, \$0	No Change, \$0	\$300	\$200	Defer to re-opener
Hazardous Materials Operations Bonus	No Change, \$0	No Change, \$0	No Change, \$0	\$300	\$200	Defer to re-opener
Paramedic Preceptor Pay	No Change, \$0	No Change, \$0	No Change, \$0	\$600	\$600	\$500
Lieutenant Administrative Duty Pay	No Change, \$0	No Change, \$0	No Change, \$0	4% of base (7)	2% of base (7)	\$500 per duty (4)
Lieutenant Acting Officer In Charge Pay	No Change, \$0	No Change, \$0	No Change, \$0	Requests Discussion	Carrying Fee of 2 hrs overtime pay	Provide 15% differential for Lt. in charge in absence of both Chiefs
Health Insurance Cost	18% family coverage	17% family coverage	17% family coverage	No Change	No Change	No Change Yr. 1, 16% Yr. 2 & 17% Yr. 3.
Sick Hours per month	9.33	10	12	24	24	Defer to re-opener
Sick Leave Compensation at Separation	1500 hours	1500 hours	1500 hours	No Change, 2880 hrs	No Change, 2880 hrs	Defer to re-opener
Callback and Overtime	Only 1 hour pay for callbacks that roll into start of regular shift	Only 1 hour pay for callbacks that roll into start of regular shift	Only 1 hour pay for callbacks that roll into start of regular shift	Discussed language with City regarding callbacks before shift	Discussed language with City regarding callbacks before shift	Not addressed in Last Best Offer
Overtime Pay for Moving Gear Between Stations	Not raised as an issue	City opposes	Firefighters transport gear	Not raised	Overtime Pay for moving gear between stations	Not addressed in Last Best Offer
Special Teams	Special teams would be contingent on funding, ensure commitment and certification in selection	Special teams would be contingent on funding, ensure commitment and certification in selection	Special teams would be contingent on funding, ensure commitment and certification in selection	Wants to establish specialized teams	6 members per team with a 3 year commitment	Not addressed in Last Best Offer (Listed, but left blank)

The full text of the neutral Arbitrator's opinion is attached. An abbreviated summary of the opinion, with the City Manager's comments, is set forth below:

1. Term of Agreement. Union's final offer (3-yr term with re-opener in third year). This ruling is intimately related to the ruling on wages in terms of the ultimate fiscal impact of the Arbitrator's decisions. The City's final offer was a two-year agreement with a re-opener on wages and health insurance in year two; the Union's final offer was a three-year agreement with a plug number of 3.75% in year two with a re-opener in year three. At no time during the previous nine months of collective bargaining did the Union formally propose a three-year agreement or a specific wage increase in the second year. This Union offer was submitted three business days before the hearings were to begin. The City could have chosen to bargain over this final offer by the Union. After nine months of bargaining with no resolution on term or wages and after two months of preparing its brief for the hearings, the City reasoned that a suspension of the arbitration process would needlessly delay a resolution of this and other open issues. Although aware of the economic implications of the Union offer which contained a substantial wage increase in the second year, Arbitrator Hill ruled that in general he favored a longer-term contract in the interest of encouraging peace between the parties. He apparently did not take into account the planned resumption of collective bargaining between the City and its other unions in 2009, and was apparently oblivious to the prospect of rancor that might arise between the IAFF and other city employees who loyally chose early in 2008 to set their financial goals lower so the City might realize a more stable financial footing in 2009. Clearly, no such stability has been achieved; in fact, before the arbitrator ruled on this issue, the collapse in financial, retail, and industrial markets in the upper Midwest region was more profound than any observers had predicted early in 2008.
2. Wages. Union's final offer (4% increase for the period 5/1/2008 to 4/30/2009; 3.75% for the period 5/1/2009 to 4/30/2010; re-opener for the period 5/1/2010 to 4/30/2011). As noted above, the Union never submitted its proposal for a three-year contract with a second year increase of 3.75% during nine months of formal and informal bargaining or during the formal mediation sessions. The arbitrator's ruling on this matter was tied to his concern that the sensibilities of both parties could not sufficiently recover from months of discussion to arrive at a resolution on wages in 2009. In fact, though the bargaining sessions extending through mediation to final arbitration were animated at times, an essential cordiality was maintained by both parties throughout and could reasonably have been expected to continue. Further, as the Arbitrator wrote his final ruling on this matter in late December or early January, every local, regional, and national media source was lamenting the dramatic declines in personal and government incomes and assets. Since the City's projected revenues were a pivotal factor in the months of negotiation, mediation, and arbitration, it is particularly disappointing that the Arbitrator would conclude that a "severe downturn presumptively can be remedied with appropriate manpower or other cuts" to pay for the second year increase he chose to award.
3. Lieutenant/Acting Officer in Charge Pay. City's final offer. The Union asked for a 15% pay increase for senior lieutenants acting in charge in the absence of both the chief and assistant chief. The City declined to accept any acting pay.
4. Quartermaster Bonus. City's final offer. The Union asked for a \$500 annual stipend for bargaining unit members assigned to quartermaster duties. The City declined to accept this proposal.
5. Certification Incentives. City's final offer. The Union had asked for new bonuses for members achieving various certifications such as those typically achieved by firefighters. The City already pays for enrollment costs and regular time while attending class. The City declined to accept this proposal and the Arbitrator agreed with the City's position.

6. Accrued Sick Leave Compensation at Separation. Union's offer (deferral). The City proposed capping the maximum sick leave cash-out at 1,500 hours in place of the present 2,880 hours, which leads all comparable cities. FOP members can currently accrue 1,200 hours and AFSCME and management members may accrue 960 hours. The Arbitrator ruled this matter could be deferred to negotiations in 2010.
7. Sick Leave. Union's offer (deferral). Firefighters presently earn 18 hours of sick leave for each full month of service. The City proposed reducing this to 12 hours in the current contract. The Arbitrator ruled in favor of the Union's proposal to defer this to the re-opener in 2010.
8. Sick Leave Accrual Maximum. Union's offer (deferral). The City proposed to limit the accrual of sick leave to a maximum of 1,500 hours. The Union asked that this matter be deferred to negotiation in 2010.
9. Health insurance. Union's final offer. The City proposed an increase in the employee's contribution toward dependent medical coverage from 15% to 17%. The arbitrator ruled in favor of the Union's proposal to increase this contribution to 16% in year two and 17% in year three.
10. Additional Lieutenant Stipend for Administrative Duty. City's final offer. The Union proposed that each Lieutenant assigned to perform the following duties be given an additional \$500 annual stipend: (a) EMS officer; (b) training officer; (c) scheduling officer; and (d) fire prevention officer. The City declined to accept this proposal, as it had declined to accept other economic proposals aside from a wage increase in year one.
11. EMT/Paramedic Stipend. Union's final offer. The Union proposed an increase in its existing annual stipend from \$2,400 to \$3,000. The City argued that the present stipend is in the middle of those paid by comparable cities and should be maintained.
12. Career Service Bonus. City's final offer. During negotiations, the Union initially proposed an increase in career service bonuses. The Union is presently at parity with the City's other bargaining groups on this issue. The City resisted this proposal. In its final offer, the Union proposed deferring this issue to the re-opener in 2010. The Arbitrator ruled with the City's preference for the status quo.
13. EMT Paramedic Preceptor Pay Bonus. City's final offer. The Union proposed an annual bonus of \$500 for paramedics assigned as preceptors. The City proposed no change. The Arbitrator ruled for the City's position.

The arbitration panel was asked to consider and make a decision with respect to the specific issues appealed to arbitration, and was not asked or authorized to render a decision on any other issues.

### **Where do the Union and City Stand Now?**

The City Manager contacted the IAFF president on January 5 to express the City's willingness to abide by the Arbitrator's opinion, and also to express the City's willingness to consider, in the Arbitrator's words, "an accord based on changed circumstances." City and Union representatives met on Friday, January 23, to discuss the Arbitrator's opinion. The City's negotiating team consisted of City Manager Bill Nicklas, Assistant City Manager Brian Gregory, and Assistant Fire Chief Mark Kessler. In that meeting, the City Manager asked if both negotiating teams could go off the record and both parties agreed. The City Manager then explained that the projected City budget deficit and options presented to the Council on January 20 to address that deficit did not include the incorporation of a 3.75% increase for firefighters or any other City personnel on May 1, 2009. If such an increase was incorporated in the General Fund, layoffs would be necessary as of May 1 to maintain a

balanced budget. Such layoffs, from the neutral Arbitrator's perspective, were a reasonable financial remedy. In addition, the City Manager expressed his understanding that none of the prior agreements apart from those addressed by Arbitrator Hill were specifically incorporated into the award. A copy of those tentative agreements is attached.

In order to avoid layoffs, the Union was invited to consider an informal offer with the following points:

- A 2% increase for the period May 1, 2009 through April 30, 2010;
- A "me-too" on wages in the unlikely event that the City agreed to a higher increase for any of its employee groups, including management, for FY2009-2010;
- A full contract opening for the period May 1, 2010 through April 30, 2011 rather than the limited re-opener ruled by the Arbitrator;
- No change in the dependent health insurance contribution for the period May 1, 2009 through April 30, 2010;
- Incorporation of the tentative agreements on issues that were not addressed by the Arbitrator.

At this writing (February 11), the Union negotiating team has not accepted or rejected the City's informal offer. The informal City "package" has been summarized here so the City Council can weigh its merits in the context of our present economic distress.

### **Recommendation**

**The City Manager offers the following recommendations:**

- 1. The City Council should approve the revised contract as presented, which includes the tentative agreements. If the Council chooses not to approve the tentative agreements, it must direct the City Manager to revise the document accordingly. If the tentative agreements are not approved by the Council, the five-person minimum staffing of the current agreement will be in effect on May 1, 2009. At the five-person shift minimum, the City would have a three-person engine or ambulance company at Station 1 and a two-person ambulance unit at Station 2, unless overtime is authorized to increase the staffing at Station 2. In the event of a working structure fire, or multiple ambulance calls, department recall procedures are in place to assure an adequate response to the public's needs.**
- 2. The proposed Fire Department budget for the FY2009-2010 fiscal year will reflect two firefighter layoffs in the Fire department to offset the 3.75% wage increase, effective May 1. Without such layoffs, the department will not be able to constrain spending within its FY10 budget target of \$2,424,903. Appropriate notice will be given to IAFF Local 3046 to invite the Union to make proposals of wage freezes or cuts, benefit rollbacks, and the like that could save the jobs of the employees at risk.**

The City and Local 3046 have tough choices to make. To address the budget challenges facing the City, the Council has authorized deep cuts in non-personnel expenses in the General Fund, the shifting of about \$400,000 in typical General Fund obligations to a variety of special funds and capital funds; and the transfer of reserve monies totaling about

\$331,000 to the General Fund in FY2009-2010 to avoid layoffs. The Arbitrator's opinion on wages in FY2010 would, however, force such layoffs in the fire department. The firefighters who would be subject to temporary layoffs for at least 2009 if not longer are among the most energetic, positive, and dedicated employees in the City organization. The attached news article reporting a parallel dilemma in St. Charles summarizes the obvious shock that would be felt by those Sycamore employees and their families.

As the Council and the community consider the City Manager's recommendations, **it would be well to consider whether the 3.75% increase for firefighters in FY2009-2010 is more needful than the jobs that might be lost.** The chart that follows portrays the actual 2008 gross wages for the top 25 full-time employees in terms of wages or salaries. Regular pay and overtime totals are displayed for the employees, whose names have been withheld. The wages of Local 3046 bargaining unit members are highlighted in red. City management employees and their salaries are highlighted in blue.

Rank	Position	GROSS PAY	IAFF Retro Pay	Gross Pay Attributed to 2008	O/T Earned
1	City Manager	\$126,558.08	\$0.00	\$126,558.08	\$0.00
2	Fire Lieutenant	\$105,080.90	\$2,567.49	\$107,648.39	\$30,389.53
3	Fire Lieutenant	\$99,055.83	\$2,422.57	\$101,478.40	\$25,194.54
4	Fire Lieutenant	\$97,934.58	\$2,305.65	\$100,240.23	\$23,856.27
5	Firefighter/Mechanic	\$96,540.01	\$2,259.11	\$98,799.12	\$27,751.53
6	Police Chief	\$95,392.53	\$0.00	\$95,392.53	\$0.00
7	Fire Chief	\$95,380.16	\$0.00	\$95,380.16	\$0.00
8	Fire Lieutenant	\$90,771.52	\$2,159.09	\$92,930.61	\$15,146.81
9	Fire Lieutenant	\$89,711.83	\$2,318.98	\$92,030.81	\$19,472.78
10	Firefighter	\$88,416.54	\$3,389.29	\$91,805.83	\$28,009.43
11	P.W. Director	\$88,949.80	\$0.00	\$88,949.80	\$0.00
12	Firefighter	\$86,528.42	\$2,093.23	\$88,621.65	\$21,133.17
13	Firefighter	\$84,401.72	\$1,952.33	\$86,354.05	\$17,792.49
14	Asst. P.W. Director	\$85,351.63	\$0.00	\$85,351.63	\$0.00
15	Building Commissioner	\$85,351.62	\$0.00	\$85,351.62	\$0.00
16	Fire Lieutenant	\$83,291.87	\$2,056.99	\$85,348.86	\$8,114.96
17	Asst. Fire Chief	\$85,338.73	\$0.00	\$85,338.73	\$0.00
18	Police Lt.	\$85,233.84	\$0.00	\$85,233.84	\$0.00
19	Police Lt.	\$85,233.82	\$0.00	\$85,233.82	\$0.00
20	Police Sergeant	\$83,162.72	\$0.00	\$83,162.72	\$13,316.68
21	Fire Lieutenant	\$80,937.49	\$2,001.76	\$82,939.25	\$9,678.25
22	Asst. City Manager	\$81,439.85	\$0.00	\$81,439.85	\$0.00
23	Firefighter	\$78,394.54	\$1,877.15	\$80,271.69	\$10,227.28
24	City Engineer	\$79,882.12	\$0.00	\$79,882.12	\$0.00
25	Patrol Officer	\$78,228.27	\$0.00	\$78,228.27	\$13,871.04

The City currently has 99 full-time and 52 part-time positions. The breakdown of full-time exempt and union employees is as follows:

- Management: 17
- IAFF: 26
- FOP: 27
- AFSCME: 29

IAFF members as a group make up 26% of the City’s full-time work force, but occupy 48%--roughly half--of the top paid positions within the organization. Among the management employees who did not make the list are the City’s Human Resource Director, the Water Superintendent, Treatment Plant Superintendent, and Street Superintendent. Only two FOP members and no AFSCME members are in the “Top 25.”

City Council approval of the City Manager’s recommendations is requested.

**12. RESOLUTIONS--None**

**13. CONSIDERATIONS**

**A. Consideration of an Administration Recommendation Regarding Bids for the Erection of an Elevated Water Storage Tower on the Former Engh Farm.**

At 2:00 p.m. on Monday, February 9, bids were opened for the construction of a 1 million gallon elevated water storage tank on the Engh farm site. Bids were invited for a single pedestal elevated tank with four options, a prefabricated valve vault, and other miscellaneous items of work. The bids did not cover a new well or appurtenances. The responsible bids were as follows:

<b>Bidder</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>
Caldwell Tanks, Louisville, KY	\$2,692,000	No Bid	\$2,990,000	\$3,533,000
CB&I, Bolingbrook, IL	\$2,359,000	\$2,990,000	No Bid	No Bid
Phoenix Fabricators, Sebree, KY	No Bid	No Bid	\$4,117,600	\$4,806,700

- Option 1: 1.0 MG steel elevated tank (engineer’s estimate: \$2.7 Million)
- Option 2: 1.5 MG steel elevated tank (engineer’s estimate: \$3.4 Million)
- Option 3: 1.0 MG concrete/steel composite elevated tank (engineer’s estimate: 3.2 Million)
- Option 4: 1.5 MG concrete/steel composite elevated tank (engineer’s estimate: 3.9 Million)

The City staff are evaluating the bids and will make a recommendation at the next regular City Council meeting on March 2.

**B. Consideration of an Administration Request for Direction Regard a Three-Year Capital Plan.**

The proposed three-year capital budget is appended in a spreadsheet for the Council's review and comment. The Council and the general public will see an overall capital program for the next three years that substantially improves the City's infrastructure without an increase in the City's portion of the aggregate property tax. The key projects are identified specifically on the color-coded spreadsheet attached to this agenda. A brief summary of the three-year plan follows:

**FY2010 Highlights (May 1, 2009 through April 30, 2010)**

**Total: \$12,484,525**

- Street Maintenance Program: \$1,191,000. If the pace of revenue accrual in the new Street Maintenance Fund (Fund 30) improves, this number may be larger in FY10. The importance of starting earlier in the construction season also somewhat limits the fund's ability to accrue a larger balance prior to bid letting in FY2010.
- Partial Construction of Water Tower #2: \$2,500,000 (to be completed in October 2010).
- Phase II improvements at Treatment Plant: \$5,100,000.
- Final Surface on Peace Road Bike path: \$165,000.
- Vehicle and equipment replacement for operating departments (General Fund): \$315,625. These purchases are highlighted in light blue and are funded principally by the Capital Assistance Fund (Fund 6) whose main recurring source of income is home rule tax proceeds.

**FY2011 Highlights (May 1, 2010 through April 30, 2011)**

**Total: \$7,617,900**

- Street Maintenance Program: \$1,200,000.
- Completion of Water Tower #2: \$250,000.
- Phase II Improvements at Treatment Plant: \$5,540,000.
- Vehicle and equipment replacement for operating departments (General Fund): \$266,900. These purchases are highlighted in light blue and are funded principally by the Capital Assistance Fund (Fund 6) whose main recurring source of income is home rule tax proceeds.

**FY2012 Highlights (May 1, 2011 through April 30, 2012)**

**Total: \$3,935,350.**

- Street Maintenance Program: \$1,200,000.
- Phase II improvements at Treatment Plant: \$2,200,000.
- Vehicle and equipment replacement for operating departments (General Fund): \$293,750. These purchases are highlighted in light blue and are funded principally by the Capital Assistance Fund (Fund 6) whose main recurring source of income is home rule tax proceeds.

As noted in the bullet points above, the attached plan continues an annual replacement program for selected front-line vehicles and equipment for our operating departments in order to achieve some trade-in value and to maintain our safety program's priority for safe

and well-maintained vehicles and equipment. It should also be noted that the pending review of the City's plan for treatment plant expansion by the IEPA has made planning difficult beyond 24 months. The scope of improvements at the plant in FY2012 is likely to be larger than estimated at this time, and the funding for such improvements may include a combination of IEPA loans and internal City sources.

The City Manager requests Council direction so that final numbers can be put in the FY2009-2010 budget in the next few weeks.

**14. OTHER NEW BUSINESS**

**15. APPOINTMENTS**

**16. ADJOURNMENT**