

SYCAMORE CITY COUNCIL
AGENDA
May 4, 2009

CITY COUNCIL COMMITTEE MEETINGS
No Meetings Are Scheduled

REGULAR CITY COUNCIL MEETING
7:00 P.M.

1. **CALL TO ORDER**
2. **SWEARING-IN OF ELECTED OFFICIALS**
3. **INVOCATION**
4. **PLEDGE OF ALLEGIANCE**
5. **APPROVAL OF AGENDA**
6. **AUDIENCE TO VISITORS**
7. **CONSENT AGENDA**
 - A. Approval of the Minutes for the Regular City Council Meeting of April 20, 2009.
 - B. Payment of the Bills for May 4, 2009.
 - C. Proclamation Declaring the week of May 4 through May 10, 2009 as Public Service Recognition Week.
8. **PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
9. **REPORTS OF OFFICERS**
10. **REPORTS OF STANDING COMMITTEES**
11. **PUBLIC HEARINGS--None**
12. **ORDINANCES**

A. Ordinance No. 2009.01—An Ordinance Amending the Fiscal Year 2008-2009 City Budget. First and Second Reading.

At the April 20, 2009 Council meeting, the Council approved Ordinance 2008.83 which adjusted a number of FY09 spending line items in various City special and capital funds to reflect actual bid prices, register unforeseen costs, or balance accounts prior to the annual audit. The attached ordinance reflects one more change in the FY09 Fund 26 (2003 G.O. Bond Fund) budget that was necessary to fund the closeout of FY09 street improvements. Basically, most of the remaining balance of bond proceeds in that fund--\$150,000—will be brought into the revenue side of the fund and disbursed through line item #26-8634. These monies were used in the reconstruction of S. Main Street in 2008 and other street projects.

City Council approval is recommended.

B. Ordinance No. 2009.02—An Ordinance Approving a Collective Bargaining Agreement Between the City of Sycamore and the American Federation of State, County, and Municipal Employees, Council 31, on Behalf of AFSCME Local 3957 in the City of Sycamore, Illinois. First and Second Reading.

The City administration and AFSCME Local 3957 have reached a tentative agreement on a two-year collective bargaining agreement. The key terms of that agreement are as follows:

1. the two-year term begins on May 1, 2009 and extends through April 30, 2011.
2. In Year One (May 1, 2009 through April 30, 2010), the membership of Local 3957 will receive a 2% wage increase.
3. In Year Two (May 1, 2010 through April 30, 2011), the membership will receive a 2% wage increase on May 1, 2010 and a 2% wage increase on November 1, 2010.
4. A new classification—“evidence custodian and ordinance officer”—will be added to more accurately reflect the true duties of a current member assigned to the Police department.
5. A no-layoff pledge has been added for the two-year term of the contract.
6. A memorandum of understanding (see attachment) will be added reflecting the City’s intention to complete a compensation survey in the early spring of 2011 as a basis for negotiating greater equity in wages as compared with wages in similar classifications at seven comparable N. Illinois cities. In addition, the MOU establishes the intent of both parties to establish greater equity and internal comparability between AFSCME Local 3957 wages and wages or salaries of similar positions in other City of Sycamore departments.

The negotiations with the AFSCME Labor Council and the Local 3957 negotiating team were constructive and congenial from beginning to end. Both parties were keenly aware of the depressed economic climate in which the organization and the community find themselves, and worked cooperatively to find common ground that served both the local’s membership and the city organization.

City Council approval is recommended.

C. Ordinance No. 2009.03—An Ordinance Revising Title 3, “Business and License Regulations,” To Create a New Chapter 22, “Body Art Establishments,” in the City Code of the City of Sycamore, Illinois. First and Second Reading.

At the April 20 City Council meeting, the Council approved a Plan Commission recommendation to revise the City’s Unified Development Ordinance (“UDO”) to permit licensed body art establishments in the “C-2” Central Business District (second floor only) and the “C-3” Highway Business District as a special use. The attached guidelines and codes were also recommended by the Plan Commission as a pre-requisite for the safe and hygienic operation of body art establishments in the City of Sycamore. These proposed legislative parameters reflect the “best practices” of other communities who have permitted and licensed body art establishments.

The attached ordinance would amend the City Code to adopt the proposed body art license guidelines. City Council approval is recommended.

D. Ordinance No. 2009.04—An Ordinance Authorizing the Partial Abatement of Future City Property Taxes and a One-Time Grant of \$22,000 for Smart Motion Robotics, Inc., in the City of Sycamore, Illinois.

The City of Sycamore has been approached by the owners of Smart Motion Robotics of Gilberts, Illinois for a property tax incentive to assist the company in relocating its entire operations to the Sycamore Prairie Business Park. The firm is an Illinois corporation founded in 1996 that builds automatic or robotic “pick and place” machines typically used for packing a variety of cases or loading pallets. One of the firm’s most profitable machines is called the “SmartPacker.” This machine was invented and patented in 2006, and is used to pack raw eggs in soft cases for retail sale. The company also makes and markets machines that pack pharmaceuticals, feed bags, candies, etc.

Smart Motion has been looking at lots in the Sycamore Prairie Business Park northeast of the corner of Peace Road and Bethany Road in Sycamore, as well as industrial subdivisions in Rochelle and Dixon. The firm is presently housed in a 10,000 square foot building. The owners, Scott Gilmore and Michael Chuipek, hope to build or purchase a building of about 25,000 to 28,000 square feet with room to expand to a total of 40,000 square feet. Allowing for zoning setbacks, parking, and loading space, such a building could be accommodated on about 2-2.5 acres of industrially-zoned property. The owners would lay out the building as follows:

- 4,000 s.f. for office space;
- 2,000 s.f. for R&D and engineering;
- Remainder for robotic assembly and testing.

The company presently employs 18 full-time persons, more than one-half of which are women. The owners expect that only about one-half of the full-time employees would make the move to a distant site. The projected employment in three years is 26-30 full-time persons. Skilled workers in the plant start at \$40,000 per year (\$19.23 per hour) and the more experienced reach \$75,000 a year (\$36.06 per hour).

The company’s fiscal year extends from April 1 through March 31. Financial statements for the fiscal year just ended will not be available for another month or so, but financials for previous

fiscal years (2007 and 2008) have been obtained and reviewed. The company's net worth has increased significantly over the past three years, and its year over year sales in this period increased by 15.7% from FY07 to FY08. The owners have stated that FY09 was their best year in terms of gross sales, reduction in current liabilities, and increase in debt/worth ratio. Unaudited in-house financial statements bear out this claim. Overall, the company appears to have the capacity to take on a building project of the type described above, and can support its planned expansion of personnel.

In recent weeks, the City Manager has requested the participation of other local taxing bodies in a property tax abatement package, as per the intergovernmental agreement of January 2005. Background information was provided to assist the boards of the various local taxing bodies in making their decisions, including an estimate of future annual tax revenues generated by a developed site in the Sycamore Prairie Business Park (see attached). To date the DeKalb County Board, Sycamore Board of Education, Kishwaukee College Board, Sycamore Public Library Board, and Sycamore Park Board have agreed to participate in a tax abatement package, and we will soon learn of the position of the Cortland Township Board. The City's "competition" are sites west of DeKalb County that would qualify for a more aggressive five-year tax abatement program (i.e. 90/80/70/60/50 percent abatements over a five-year period).

The City Manager recommends the maximum three-year package available from the City. This package involves a 90% abatement in the first full year of assessment, 75% in the second year, and 50% in the third year. In the fall of 2008, the City Council fulfilled similar commitments to Fullco and Tate & Lyle in the Sycamore Prairie Business Park. Going forward, the City's only other tax abatement commitment is to Ample Supply, which opened its doors in the Sycamore Prairie Business Park this spring. In addition, the City Manager recommends a one-time \$22,000 relocation grant to be extended when the first abatement year becomes effective (presumably the spring of 2010). This grant amount is estimated to be the difference between the Lee County package and the City's package, if all local taxing bodies participate. Funding for this grant would be from Fund 22 (Sales Tax Distributive Fund) in FY11.

City Council approval is strongly recommended.

13. RESOLUTIONS

A. Resolution No. 519—A Resolution for Maintenance of Streets and Highways by the City of Sycamore Under the Illinois Highway Code from May 1, 2009 to April 30, 2010.

Resolution No. 519 meets the State of Illinois requirements for acknowledging the City's intent to use motor fuel tax funds in FY10 for the purchase of salt to maintain City streets. City Council approval is recommended.

B. Resolution No. 520—A Resolution Providing for the Retirement of Certain Municipal Indebtedness by Use of Motor Fuel Tax Funds.

In similar fashion, Resolution No. 520 establishes the City's intent to use motor fuel tax funds in FY10 in the amount of \$50,872.50 for the retirement of indebtedness on the 2005 Refunding Bond. The total allocated by Resolutions 519 and 520 is \$270,000. An additional \$230,000 will

be allocated from the MFT Fund (Fund 7) for street repair and reconstruction in FY10. City Council approval is recommended.

14. CONSIDERATIONS

A. Consideration of an Extension to the Consulting Agreement with the Daley Policy Group.

The City's professional services contract with the Daley Group expires on May 30, 2009. The principal owner of the group, Patricia A. Daley, was initially hired in June 2005 (Resolution No. 459) to assist the City in tracking federal legislation that may have a significant local impact, and in securing federal funding for a variety of local projects including the Harvester Square brownfield cleanup on South Avenue, the reconstruction of Bethany Road from Peace Road to Somonauk Street and, more recently, the realignment of Lindgren Road at Plank Road. The original contract included a retainer fee of \$78,000 per year (\$6,500 per month), and was competitive with fees paid by the City of DeKalb, NIU, and DeKalb County for federal lobbying services. The contract was renewed in August 2006 (Resolution No. 472) with the same retainer fee, on the strength of Ms. Daley's continuing success with the Illinois Congressional delegation in particular. At that time, the Daley Group had secured \$33 million in grants for the DeKalb area over the previous 14 years, with the greatest share going for improvements at the DeKalb-Taylor Municipal Airport. Notwithstanding the scope of these grants, Illinois remained nearly last (46th) among the states in the return of federal dollars (receiving less than 75 cents for every dollar sent to Washington). Sycamore had been granted only about \$1.5 million in the previous 20 years, including \$1 million for the Bethany Road reconstruction project completed in 2005, and about \$500,000 in federal aid for the reconstruction of Elm Street from Main Street to California Street in the early 1990s.

In August 2007, the Council suspended the lobbying contract with the Daley Policy Group. When the original contract had been approved in 2005, it was understood that the City had "missed the wave" represented by the 2004-2005 federal transportation reauthorization legislation, but it was felt that some federal grant monies might be obtained for qualified Sycamore projects through "earmarks" and uncommitted federal funds. By the summer of 2007, no federal grants had been received and it had become clear that the Congressional stalemate over budget initiatives in general and the distractions of the evolving presidential campaign made it unlikely that Sycamore's projects would be recognized as prime projects for federal attention. Accordingly, the lobbying contract was suspended until the nationwide jockeying might begin for a place in the next five-year federal transportation reauthorization bill, which primarily qualifies projects on their merits and is the focus of intense constituency competition nationwide.

In May 2008, the consulting contract with the Daley Group was renewed (Resolution No. 500) as the strategic moment for registering any qualified city projects in a new federal five-year transportation act approached. As Congressional committees began work on the new authorization bill in September, 2008, the nation's credit system collapsed. From mid-September 2008 through mid-February 2009, the Congress wrestled with means to get credit flowing again. One of the means that was approved early in the Obama administration was a federal stimulus package focused on public works projects. In addition, in March President Obama delivered a budget which broadened the federal economic stimulus package. Ms. Daley

has been active in the City's behalf in pressing for the inclusion of several Sycamore projects in both the reauthorization legislation that continues to course through Congress, and the more focused federal stimulus legislation. In recent weeks, Ms. Daley has worked to have Sycamore's Bethany Road and Lindgren projects placed in the stimulus legislation, FY2010 appropriation process, and the transportation reauthorization legislation before the Congress. Action on these measures will proceed concurrently. Congressman Bill Foster has supported both projects. As Congress establishes its budget priorities through a joint resolution in the days ahead, it will then move to consider the nuts and bolts of the individual requests in 12 annual appropriation bills. In this process, projects fall in and fall out of individual bills and a lobbying presence can be very useful.

The City of Sycamore's FY09-10 budget does not include a contract extension for the Daley Policy Group. Since the Finance committee of the Council reviewed the City's FY10 budget in mid-March, more has become known of the intentions of Congressional leaders and the Obama administration with respect to transportation legislation. Appropriations will likely be set in July or August, barring any new national economic crisis. In this context, the City Manager believes the Council might well consider a short-term extension to the lobbying contract. The Lindgren Road realignment that is in the federal stimulus program has a price tag of \$596,000 and the City is hoping for \$490,000 in federal funding (82.3%). A public announcement regarding this grant will hopefully come soon. The Bethany Road reconstruction and widening project which would extend for about 3,800 feet is priced at \$5 million. The possible federal share for this project will be in the range of \$1-\$2 million and will not be known until action is taken on the appropriations bills.

If the Council concurs, funding for a maximum six-month extension could be found in the Hotel/Motel Tax Fund reserve, which has been the funding source for the consulting contract since 2005.

City Council direction is requested.

B. Consideration of an Administration Recommendation Regarding a Contract for Independent Financial Audit Services for the City of Sycamore, Illinois.

Recently, the City of Sycamore invited proposals from professional accounting firms to perform the annual independent audit of the City's combined financial statements including pension funds for the fiscal years FY09, FY10 and FY11. Since the summer of 2005, the City's audit has been performed by Siepert & Company of Beloit, Wisconsin. The firm maintains a local office in Sycamore. Municipal organizations value the smooth working relationships that often arise from multiple-year contracts with financial consulting and auditing firms. However, such contracts seldom extend beyond three years, in order to assure competition in price and rigor in performance.

Two firms responded to the City's RFP: Siepert & Company and Lindgren, Callihan & Van Osdol Co., Ltd. of Rockford, Illinois. Both firms have the professional experience and expertise to satisfactorily meet the City's annual audit requirements. In terms of price, Siepert offered to perform the work at \$37,650 for each of the three fiscal years. LCV offered to perform the

work on the FY09 financials for \$39,500 but did not submit a fee proposal for the subsequent two fiscal years.

The City Manager recommends the award of a three-year professional contract to Siepert & Co. at the price described above. City Council approval is recommended.

14. OTHER NEW BUSINESS

15. APPOINTMENTS

16. ADJOURNMENT