
SYCAMORE CITY COUNCIL – REGULAR MEETING
MINUTES OF February 4, 2019

ROLL CALL

Mayor Lang called the meeting to order at 7:00 p.m. and City Clerk Mary Kalk called the roll. Those Alderpersons present were: Rick Kramer, Pete Paulsen, Virginia Sherrod, David Stouffer, Alan Bauer, Steve Braser, and Nancy Cople. Alderman Chuck Stowe arrived at 7:05 p.m. after roll call. City Attorney Keith Foster was also present.

INVOCATION – Pastor William Mills, Bethel Assembly of God Church, gave the invocation.

PLEDGE OF ALLEGIANCE Led by West Elementary School K-Kids, Heather Salis, Riley Kugas, and Spencer Malloy.

APPROVAL OF AGENDA

MOTION

Alderperson Kramer moved to approve the agenda and Alderperson Stouffer seconded the motion.

VOICE VOTE

Mayor Lang called for a voice vote to approve the motion. All Alderpersons voted aye. Motion carried 7-0.

AUDIENCE TO VISITORS

William Mills, 627 Emmert Drive, Sycamore, expressed his thanks and gratitude for the public servants for all they do.

CONSENT AGENDA

- A. Approval of the Minutes for the Regular City Council Meeting of January 22, 2019.
- B. Payment of the Bills for February 4, 2019 in the amount of \$2,339,888.08

MOTION

Alderperson Bauer moved to approve the Consent Agenda and Alderperson Kramer seconded the motion.

ROLL CALL VOTE

Mayor Lang called for a roll call vote to approve the motion. Alderpersons Kramer, Paulsen, Sherrod, Stouffer, Stowe, Bauer, Braser, and Cople voted aye. Motion carried 8-0.

PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS

Alderman Stouffer shared that he and his wife welcomed their third son, Finnegan, into the world on Tuesday, January 28th, and he and mom are doing well.

Mayor Lang said he wanted to show his appreciation for the city fathers that organized this city to have a non-partisan political system. In our city and council, we have four wards with eight alderpersons and we have no arguing or putting one ward against another. He said, as we all have observed the state and national politics in the last few months, it is apparent that there is little harmony in our two-party system. In Sycamore, with our non-partisan system, we are able to discuss and make city decisions with the city in mind and not a person or any specific group. He thanked the council, Sycamore, and God for the opportunities that Sycamore presents to its citizens.

REPORT OF OFFICERS

City Manager – Brian Gregory acknowledged the Public Works team who were out in the historic cold temperatures keeping the streets clear and safe for those out braving the elements and for also helping a resident who posted her gratitude on the City's Facebook page. The resident, who got stuck in the snow, blew a tire spinning to get out. The snow plows went by and stopped to help change her tire and pull her out. Mr. Gregory said those guys chalk that up as part of the job and it's those little things that really make this a special place. Kudos to Public Works, Public Safety, Police and Fire who were all out in those conditions. He thankfully reported that we did not have any serious injuries or accidents. He also thanked and acknowledged Human Resources Director, Maggie Peck, for putting together a city-wide initiative to collect supplies from city employees for the West School Food Pantry, of which two loads of materials were delivered to the school. He also reported that with the cold weather, the collection days for Thursday and Friday refuse were moved out a day but the recycle was not collected. The city was able to reach 8,000 people through the city's Facebook page along with several calls. With full

recycle bins, Waste Management said they would accept alternative containers, such as cardboard boxes, but said to avoid plastic bags, as those are not recyclable.

Police Chief – Jim Winters said he echoes the City Manager’s sentiments on thanking Public Works for keeping the streets clean allowing officers to get to the calls. They did see an increase of accidents, cars in ditches, and alarm calls, which were most likely weather related. The PD recently purchased a new video system for \$7,000 for the interview rooms and the booking area. He said there are about 15-16 different offenses that are required, by state law, to be recorded in order to provide accuracy and transparency throughout the investigations. There was no cost or tax dollars spent, as they used funds seized during narcotics investigations that were awarded to the Police Department by court order.

Fire Chief – Pete Polarek said the bitter cold has made the routine activities very difficult so they overstaff with two firefighters in a utility vehicle to shovel, salt, or sand walks on routine calls in order to be able to carry or wheel patients to the ambulance. They kept accidents to a minimum but have experienced calls from frozen pipes where water is leaking through smoke detectors. He echoed the praises and said that the Public Works Department is critical to the Fire Department doing their job.

Alderwoman Cople commended the Fire Department for the “Find the Fire Hydrant” game on their Facebook page.

Chief Polarek said he hoped those activities would help bring awareness.

City Manager Brian Gregory said the Fire Department also services a Fire Protection District so the fire and ambulances are also out in the rural areas where conditions are usually much worse than in the city.

Director of Public Works – Fred Busse said he will pass the praises on to the team and said they have been extremely busy either pushing or hauling snow as we have received over 26 inches of snow in January They have had many compliments this year about how the downtown area has been taken care of and said it has been with the help of the Waste Water Treatment Plant and the Water Division teams helping. They left the vehicles inside, except for emergencies, as they have more problems with the equipment in those bitter cold temperatures. He reminded that the water billing department has been relocated down to 475 North Cross. A drive-up drop box will be installed in the spring, but they need time to put in a roadway addition to allow the drive-through.

Treasurer/Asst. to the City Manager – Adam Orton - absent

Building & Engineering Director – John Sauter said they received plan review responses for the Meijer project and will dig into those this week. They issued a permit for La Juicy Vita, at 2900 DeKalb Avenue, which is the old Nextel store. This will be a new smoothie shop and should open sometime this spring. They did a final inspection at Maria’s Little Italy at 1969 DeKalb Avenue and they were approved to open for business. Maria’s Little Italy is putting the final touches on a few things and should be open in the next week or so.

City Engineer – Mark Bushnell updated that material for the DeKalb Sycamore Area Transportation Study (DSATS) bus shelters have been delivered to the contractor’s shop where some minor assembly will take place. The first one will be installed at the southeast corner of Exchange and Maple Streets and then Grant Street and Locust and Exchange Streets. He is looking forward to closing out that project after a few years.

REPORTS OF STANDING COMMITTEES

Finance – Alan Bauer - no report

Public Safety – Pete Paulsen - no report.

Public Works – Chuck Stowe - no report

PUBLIC HEARINGS - None

ORDINANCES - None

RESOLUTIONS

A. Resolution 778—A Resolution Approving and Accepting Certain Public Improvements on Aster Road related to the Sycamore Prairie Business Park.

City Manager Brian Gregory said this Resolution is for Aster Road; the leg that connects Prairie Drive with Bethany Road. The final roadway surface was installed last year and per the Unified Development Ordinance (UDO), the City is required to accept those improvements before the financial guarantee is released. City Engineer, Mark Bushnell has inspected the improvements and recommends that the council accepts the improvements. Mr. Gregory said that he concurs and recommends approval.

MOTION

Aldersperson Kramer moved to approve Resolution 778 and Aldersperson Sherrod seconded the motion.

VOICE VOTE

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

CONSIDERATIONS

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

City Manager Brian Gregory said that the City went out to bid for the audit services and the Request for Proposal (RFP) was structured for a three year bid, asking that respondents include two optional years, so that council could extend the contract for a fourth or fifth year. The costs proposed were as follows:

Firm/Audit Year	FY19	FY20	FY21	FY22	FY23
Lauterbach & Amen	\$28,500	\$29,300	\$30,100	\$31,000	\$31,900
Sikich	\$35,000	\$34,000	\$34,000	\$35,020	\$36,070
Wipfli	\$31,900	\$32,600	\$33,300	\$34,000	\$34,800

For all proposals an additional fee applies if a single audit is required

Lauterbach & Amen, the lowest responsible bidder, has provided audit services to the City for the past three years. He said that the current fee is \$29,100 so going out to bid actually got a slightly better price. The library audit had been separated but is coming back on, so the firm selected, will also audit the library’s books and be reported in the city’s finances. The library will pay a portion of the bill for the number of hours used. *The City Manager is recommending the City Council approve a three-year contract (with options for FY22 and FY23) with Lauterbach & Amen to perform the City’s audit.*

MOTION

Aldersperson Bauer moved to accept the low bid of Lauterbach & Amen and Aldersperson Paulsen seconded the motion.

ROLL CALL VOTE

Mayor Lang called for a roll call vote to approve the motion. Alderspersons Kramer, Paulsen, Sherrod, Stouffer, Stowe, Bauer, Braser, and Cople voted aye. Motion carried 8-0.

Mayor Lang pointed out all the clients served on page 22 in the background and how Lauterbach & Amen is helping other communities to also achieve the same standard of excellence with the Government Finance Officers Association (GFOA) Certificate of Achievement.

B. Consideration of an Administration Request for Direction Regarding the 2019-2020 Water and Sewer Fiscal Year Budgets.

City Manager Brian Gregory said the Water and Sewer Funds are the second step in the process. For the Water side, there is a sliding scale where the water fee schedule charges a progressively lower per unit fee as the volume rises. FY20 marks the second year of a gradual flattening of the seven-tier system to two tiers in 2028. As a result, the first two tiers are reduced resulting in a slight savings for an average user. With the exception of Edgebrook mobile home park residents and users outside the City limits, the current schedule as of May 1, 2019 (less meter maintenance charges) is as follows:

First 400 cubic feet	\$3.34 per 100 cubic feet (\$3.69 minimum bill)
Next 300 cubic feet	\$3.22 per 100 cubic feet
Next 700 cubic feet	\$2.97 per 100 cubic feet
Next 1,300 cubic feet	\$2.59 per 100 cubic feet
Next 6,900 cubic feet	\$2.06 per 100 cubic feet
Next 7,400 cubic feet	\$1.78 per 100 cubic feet
All over 17,000 cubic feet	\$1.34 per 100 cubic feet

He said that the average household uses about 800 cubic feet of water per month or 1,600 cubic feet used over the two-month billing cycle which estimates the water portion of the bi-monthly water bill at \$49.00 every two months, or \$24.50 per month based on the FY20 rates.

He said that they expect no new full-time hires in the Water Division and that bringing Well #7, in the Electric Park subdivision, back on-line, will be an operational emphasis. Necessary capital improvements include maintenance and painting of water tower #1, bringing Well #7 back on-line, a comprehensive meter replacement program and general maintenance and replacement of water main, valves and hydrants. Planning for the improvements will begin in FY20 with the project utilizing an Illinois Environmental Protection Agency (IEPA) low interest loan.

He said for the Radium Treatment side, a monthly radium treatment fee is charged based on the size of the water meter to offset the cost of the treatment. Currently, there's a base radium fee of \$6.00 per month in FY19. Looking ahead to FY20, the monthly base fee would need to increase by seventy-five cents per month, to \$6.75 to offset the projected cost for radium removal within the water distribution system. The chart below illustrates the proposed schedule by meter size:

Meter Use/Size:	First 14:	Next 13:	Next 69	Next 74:	Over 170:	Total:	Average Usage:
0.625	\$6.75					\$6.75	<14
0.75	\$6.75					\$6.75	<14
1	\$6.75	\$4.26				\$11.01	26.55
1.5	\$6.75	\$4.41	\$9.39			\$20.55	65.96
2	\$6.75	\$4.41	\$16.64	\$6.28		\$34.08	127.31
3	\$6.75	\$4.41	\$16.64	\$12.57		\$40.37	158.67
4	\$6.75	\$4.41	\$16.64	\$14.84	\$51.46	\$94.10	514.51
6	\$6.75	\$4.41	\$16.64	\$14.84	\$420.02	\$462.66	2982

These accounts include nearly every residential user and some small businesses. As the size of the meter increases, the average use for that meter class and the tier structure is used to calculate a monthly fee.

He said the city will continue to change out meters in the next 3-5 years to get all the old meters out so they are accurately reading for the residents.

For the Financial Forecast, the tables below illustrate the FY20 revenues and expenditures associated with operating the water system in Sycamore (using the projected increase in the radium treatment fee).

Revenues:

User Fees	\$2,094,868
Radium Treatment Fees	\$680,000
Water Meters	\$25,000
Permits/Fees	\$7,000
Reserve Transfer	\$0
Other	\$10,500
Total	\$2,817,368

Expenditures:

Personnel	\$720,887
Commodities	\$114,750
Contractual	\$290,000
Radium Treatment	\$680,000
Other	\$290,000
Equipment	\$289,000
Perm. Improvements	\$100,000
Debt Service	\$251,460
Transfers Out	\$80,000
Total	\$2,816,097

Alderwoman Copple asked what the "Other" was for.

City Manager Brian Gregory said it is a line item is the non-typical operating expenses including health insurance. He listed the debt obligations as printed in the agenda:

- 2003 IEPA Loan. The Water Fund will pay \$49,737 on the 2003 IEPA loan that funded the drilling of Well #9 on Airport Road.
- 2005 IEPA Loan. The Water Fund will pay \$55,022 in debt service related to the borrowing that funded the construction of the building and equipment of Well #9 on Airport Road.
- 2006 IEPA Loan. The Water Fund will pay \$66,697 on the 2006 IEPA loan which financed the radium removal equipment at wells 6 & 8.
- New IEPA Loan. The FY20 budget includes an allocation toward debt service associated with Well #7 and maintenance of Tower #1. The loan issuance and repayment schedule (estimated \$90,000 per year) is dependent on when improvements are made. In FY20, this allocation may be used for plan and design of the improvements.
- Sewer Fund. The Water fund will reimburse the Sewer Fund \$40,000 per year for 20 years as a result of prior transfers for liquidity.

Mr. Gregory said, the Water Fund as presented, is balanced with an increase of \$0.75 to the base monthly radium treatment fee. Any changes would need to be in ordinance form at a future meeting.

For the Sewer Fund, he said the primary source, about 97%, is user fees. No new full time hires are proposed, and staff will work to maintain the current system, as the Phase III project is going through construction. He reminded everyone that Phase III will allow us to treat from 2.97 million gallons per day (MGD) to 4.90 MGD. For the third phase, estimated to be \$24,000,000, we will use a low interest loan from the Illinois EPA revolving loan program. The low interest loan program is currently offering a 1.84% interest rate for the 20-year term. Between the City's Sewer Fund and the Sewer Connection Fee Fund, roughly \$10 million in accumulated reserves will be used to reduce the amount borrowed. He explained that since the project is estimated to be 3.5% less than the engineer's estimate, staff is recommending to pass that savings back to the residents on the rate structure. He noted that the loan documents are already in process but the IEPA needs to review the proposed rate decreases. He's hoping to bring back an ordinance in April for a sewer rate decreased by 3.5% to \$4.535 per 100 cubic feet.

A recap of the Sewer Fund revenues and expenditures are listed below:

Revenues:	
User Fees	\$3,449,606
Permits/Fees	\$7,000
Investment Interest	\$60,000
Other	\$40,000
Reserve Transfer	\$0
Total	\$3,556,606

Expenditures:	
Personnel	\$869,394
Commodities	\$281,750
Contractual	\$422,500
Other	\$221,600
Equipment	\$218,800
Perm. Improvements	\$125,000
Transfers Out	\$244,852
Total	\$2,383,896

He listed the debt obligations as printed in the agenda:

- 2009 IEPA Loan. The Sewer Fund will pay an estimated \$194,852 on the 2009 IEPA loan that has funded the Phase I project at the treatment plant, focusing on sludge de-watering. This debt will not be retired until 2031.
- 2019 IEPA Loan. The Sewer Fund will combine a portion of reserves with a low-interest IEPA loan to fund Phase III. The debt repayment will not begin until FY21 at the earliest.

He explained a future utility bill, which with the proposed adjustments, the City portion of the utility bill decreases by roughly 1.09% for the average monthly user and then asked for any questions and direction to prepare the budget documents.

Sample City Utility Bill

Using 1,600 cubic feet per 2-month billing period

	Per Month	Per Bill
Water User Fee	\$24.50	\$49.00
Meter Maintenance	\$1.54	\$3.08
Radium Treatment	\$6.75	\$13.50
Sewer User Fee	\$36.28	\$72.56
Refuse and Recycling	\$21.48	\$42.96
Total	\$90.55	\$181.10

Alderman Stowe said it looks very good.

Alderman Kramer said there's a great sentence; these figures anticipate a positive net position. It sounds good to me.

Mayor Lang said it's the Sycamore Way, that if we save money, we are going to let the citizens save too.

Consensus of Council was to move forward.

City Manager Brian Gregory recapped that we will continue this process with the next two meetings on Capital Funds, and Debt Service Funds, then will bring the entire budget for the Council to consider. The public hearing will be the first meeting in April along with First Reading and have the Second Reading at the second meeting in April.

APPOINTMENTS

OTHER NEW BUSINESS

ADJOURNMENT

MOTION

Aldersperson Stowe moved to adjourn the meeting at 7:42 p.m. and Aldersperson Paulsen seconded the motion.

VOICE VOTE

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

Approve:

Mayor - Curt Lang

Attest:

City Clerk – Mary Kalk