

SYCAMORE CITY COUNCIL
AGENDA
April 1, 2019

CITY COUNCIL COMMITTEE MEETINGS
No Meetings Scheduled

REGULAR CITY COUNCIL MEETING
7:00 P.M.

- 1. CALL TO ORDER**
- 2. INVOCATION**
- 3. PLEDGE OF ALLEGIANCE**
Pledge will be led by Sycamore Middle Schooler Logan Stasierowski
- 4. APPROVAL OF AGENDA**
- 5. AUDIENCE TO VISITORS**
- 6. CONSENT AGENDA**
 - A. Approval of the Minutes for the Regular City Council Meeting of March 18, 2019.
 - B. Payment of the Bills for April 1, 2019.
- 7. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS.**
 - A. A Proclamation Declaring April 1, 2019 as National Service Recognition Day in the City of Sycamore, Illinois.
 - B. A Proclamation Declaring April 2019 as Child Abuse Prevention Month in the City of Sycamore, Illinois.
- 8. REPORTS OF OFFICERS**
- 9. REPORTS OF STANDING COMMITTEES**
- 10. PUBLIC HEARINGS**

A. Public Hearing on the Proposed FY2019-20 City Budget.

The Annual Budget for Fiscal Year 2019-2020 extends from May 1, 2019 through April 30, 2020. This budget document compiles the numerical and narrative budgets for each General Fund department and each of the City's capital funds, special funds, and bond funds in one volume for easy reading and reference.

The General Fund expenditure budget totals \$17,001,150. These expenditures are offset by \$17,002,842 in anticipated General Fund revenues. The revenues and expenditures reflect pension contributions for fire and police passing through the General Fund. The estimated General Fund operating reserve or starting fund balance as of May 1, 2019 is \$6,058,530 or 35.64% of the planned General Fund operating expenditures for FY20.

General Fund operating expenditures continue to be constrained to meet general revenues. The City's equalized assessed valuation (EAV) for 2018 (payable in 2019) is \$446,178,904 which is over \$26 million more than 2017. The increase in EAV is a combination of a rebound in housing values and an uptick in new construction in residential, commercial and industrial developments.

The total estimated general operating expenditures (less pass thru transfers and pension contributions) in FY20 are \$15,655,376 which represents an increase of 1.72%. The majority of the increase can be attributed to increases offset by corresponding revenues such as the trash removal contract and contractual wage increases.

Personnel expenses (wages, salaries, FICA, Medicare and IMRF) account for nearly half of the overall general fund budget (57.29%). When combined with the cost of insurance coverage (health, life, work comp and liability) and pension contributions, employee costs reach 72.86% of the planned general fund expenditures. Insurance costs are assigned to the general fund support budget, which consists of expenditures common to the entire general fund. The preliminary general fund support budget is 0.96% (\$52,317) more than the prior year. This is due primarily to an increase in health insurance costs.

Aside from conventional operating expenditures, other significant General Fund expenditures include the following:

- Debt service of \$370,000 to fund the principal and interest on the 2012 refunding bond (\$40,000) and the 2017 refunding bond (\$330,000).
- An allocation of \$85,000 (513-8493) to pay the FY20 sales tax rebates.
- An increase (\$107,899) in budgeted health insurance premiums (line items 8474 & 8477), primarily attributed higher rates.
- An increase in Dispatch Services with DeKalb County (\$764,000).
- A reserve transfer of \$150,000 to the Employee Benefit Assistance Fund (Fund 23) for accrued leave payouts in the event of the retirement of several senior employees in FY20.

The City Council has maintained a commitment to capital infrastructure improvements. This commitment honors the deep community concern about failing streets, in particular. The ability to maintain this commitment is also based, in part, on prudent fiscal measures taken in years past to segregate capital funds from operational funds, and to appropriately match such funds with uses that reflect community expectations. In FY20 the capital and special funds will remain balanced with appropriate reserves.

Highlights of the FY2019-2020 capital program are listed below:

- A street maintenance program of \$1,770,000 (\$1,247,000 from the Street Maintenance Fund, \$375,000 from the Motor Fuel Tax Fund and \$148,000 from the Capital Assistance Fund). Maintenance includes portions of the following streets: Hathaway Drive, Foxbend Drive, Edward Street, California Street, Darling Court, Yorkshire Drive North, Yorkshire Drive South, Marywood Court, Devonshire Drive South, Devonshire Drive North, Wellington Court, London Court, Bristol Drive East, Bristol Drive West, Camden Court and Foxpointe Drive
- Sidewalk improvements continue to be made to the most hazardous walks along the streets designated for maintenance.
- Start of construction on Phase III of the Wastewater Treatment Plant.
- A rolling stock plan has been identified to begin a systematic rotation of front-line vehicles and equipment. The full program is outlined in the capital funds portion of the budget document.
- Priority repairs outlined for Fire Station #1.

The City's Pension obligations include the Police, Fire and IMRF pension plans. The percentage of liabilities funded in the Police Pension Fund is 64.0%, the Fire Pension Fund is 63.2% while IMRF is funded at 92.9%.

The preliminary budget is on the City's website at www.cityofsycamore.com, on reserve at the Sycamore Public Library and available for purchase at cost in the City Clerk's Office. An additional public hearing will be held on April 15, 2019, at which time City Council action on the proposed FY19-20 City Budget will occur.

11. ORDINANCES

A. Ordinance 2018.17—An Ordinance Amending Title 4, “Public Health and Safety,” Chapter 1, “Fire Department,” Section 4-1-7, “Ambulance Service”, Subsection B, “Fees for Service,” in the City Code of the City of Sycamore, Illinois. First and Second Reading.

Ambulance fees have commonly been charged based on the level of service performed. The levels of service are Basic Life Support (BLS), Advanced Life Support 1 (ALS 1), Advanced Life Support 2 (ALS 2), Treat No Transport, and ALS Intercept. Rates have also varied between residents (including Fire Protection District residents) and non-residents, with a mileage charge added. This is calculated per “loaded mile” meaning that a patient is under transport.

During a recent review, Andreas Medical Billing (AMB) noted that nearly two-hundred Fire Departments (including DeKalb, Elburn, Oswego, and Montgomery) have moved to a single billing rate in the range of \$1,200-\$1,800 regardless of the type of service provided. This is primarily due to the rising cost of the service and the fact that the same firefighter/paramedics and ambulance responds to basic life support and advanced life support calls for service. AMB noted that \$1,800 is the industry “standard” that insurance companies will reimburse entities for emergencies medical services.

In FY2018, the Sycamore Fire Department responded to 2,281 calls of which 1,796, or 78.7% were related to emergency medical services. During the same period the operations of the Fire Department was \$3,925,932 *without* including a proportionate cost of dispatch service (\$708,393 between police and fire), the capital equipment costs (i.e. an ambulance costs roughly \$190,000) and worker’s compensation insurance. While it is difficult to measure the cost of a single call, basic math suggests that 78.7% of the department’s expenditures equal \$3,089,708. When this is divided by the 1,796 calls the operating cost per call would be \$1,720.

A total of \$604,763 in ambulance fee revenue was collected in FY18; offsetting roughly 20% of the cost of the service. It should be noted that increasing the fee to \$1,720 does not mean the City recovers all costs as there are several factors that reduce the revenue collected, such as Medicare assignments, patients without insurance, etc. Many communities continue the differentiation between residents and non-residents by waiving any “out-of-pocket” costs for those within city or fire protection limits after insurance makes payment. Regardless of the type of treatment received, residents of the City or Fire Protection District would not incur any additional cost for the service after insurance, Medicare or Medicaid makes payment.

To cover the rising costs of providing ambulance service and align with the direction the ambulance billing industry is moving, the Fire Department proposes increasing the fee based to \$1,720 for Basic Life Support, Advanced Life Support 1 and 2 as follows:

Residency Status	BLS		ALS 1		ALS 2		Mileage (per loaded mile)	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Resident	\$650	\$1,720	\$825	\$1,720	\$950	\$1,720	\$13	\$13
Non-Resident	\$850		\$1,050		\$1,200		\$14	\$14
Treat, No Transport: \$200 (no change proposed)								
ALS Intercept: \$850 (no change proposed)								
Bariatric Lift Assist: \$860 (previously \$700)								

This model leads to the following net impacts:

- The impact would be reduced on the resident as the City would write off the balance (deductible, co-pay, etc.) after insurance, Medicare or Medicaid payment is made.
- The City would continue to write-off balances for indigent accounts.
- The amount of labor associated with the account billing process, follow-up and collection efforts would be significantly reduced.
- With a flat billing rate, AMB would reduce its billing fee from 4.95% to 4%.

As noted above, residents (including those serviced by the Sycamore Fire Protection District) would not have any costs after insurance assignment. Rate changes would be effective May 1, 2019.

City Council approval is recommended.

B. Ordinance 2018.18—An Ordinance Concerning the Adoption of the Combined Budget and Appropriation Ordinance for the Fiscal Year 2019-20 in the City of Sycamore, Illinois. First Reading.

Ordinance 2018.18 formally adopts the FY20 budget. This ordinance is presented on first reading only. The budget is on the City’s website at www.cityofsycamore.com, on reserve at the Sycamore Public Library and available for purchase at cost in the City Clerk’s Office. City Council action on the proposed FY20 City Budget will occur on April 15, 2019.

C. Ordinance 2018.19—An Ordinance Amending Title 1, “Administration,” Chapter 10, “Personnel Rules,” of the City Code of the City of Sycamore to Authorize Non-Elective Positions for the City of Sycamore, Illinois. First Reading.

Coincident with the adoption of the fiscal year budget, the Council establishes the employees in its budget by adopting a new list of appointments. The attached ordinance accomplishes this purpose.

This ordinance is presented on first reading only with action to be taken on April 15, 2019.

D. Ordinance 2018.20—An Ordinance Establishing Offices and Fixing the Compensation of Certain Appointed Officers of the City of Sycamore, Illinois, County of DeKalb, State of Illinois for the Fiscal Year Commencing on the First Day of May 2019 and Ending on the Thirtieth Day of April, 2020. First Reading.

The FY20 City Budget assumes certain levels of compensation for exempt employees, which include management positions and a number of part-time positions. The attached ordinance displays these levels of compensation and related benefits.

This ordinance is presented on first reading only with action to be taken on April 15, 2019.

12. RESOLUTIONS

A. Resolution No. 785—A Resolution Approving an Extension to the Employment Agreement Between the City of Sycamore and Peter Polarek as Fire Chief in the City of Sycamore, Illinois.

The Fire Chief’s contract is set to expire on April 30, 2019. This resolution extends the employment agreement as follows:

- a) The term of the contract will extend through December 31, 2022.

- b) The Fire Chief's salary will conform to the management pay plan as defined by the annual salary ordinance established each April.
- c) All other provisions remain the same as the original agreement.

Chief Polarek has been employed by the City since 2010 and has served as Fire Chief since 2012.

City Council approval is recommended.

B. Resolution No. 786—A Resolution Authorizing the Execution of an Extension and Modification to the Lease Agreement Between the City of Sycamore and Zea Mays Holdings for Suite 301 in the Sycamore Center in the City of Sycamore, Illinois.

Zea Mays Holdings was an original tenant when the City acquired and renovated the Sycamore Center. Since that time the company has rented the majority of the third floor office space with the remainder being rented by different tenants, currently Greenfield Creative. Zea Mays needs less space than when the company originally moved into the Sycamore Center. At the same time, Greenfield Creative has expressed a need for additional space. To meet the needs of both companies, the City's Public Works crew is moving a doorway and to reconfigure the spaces.

The attached agreement includes a one-year lease for the reconfigured Suite 301 that commences on May 1, 2019, with a monthly rent of \$2,800 inclusive of utilities and taxes, with annual renewal options.

City Council approval is recommended.

C. Resolution No. 787—A Resolution Authorizing the Execution of an Extension and Modification to the Lease Agreement Between the City of Sycamore and Greenfield Creative for Suite 302 the Sycamore Center in the City of Sycamore, Illinois.

As noted above in Resolution 786, Greenfield Creative, the current tenant in Suite 302 of the Sycamore Center is interested in leasing additional space. The City's Public Works crew is going to move a doorway and to reconfigure the spaces on the third floor, increasing the square footage rented by Greenfield Creative.

The attached agreement includes a one-year lease for the reconfigured Suite 302 that commences on May 1, 2019, with a monthly rent of \$1,810 inclusive of utilities and taxes, with annual renewal options.

City Council approval is recommended.

D. Resolution No. 788—A Resolution Authorizing the Execution of an Extension and Modification to the Lease Agreement Between the City of Sycamore and Shop in Style for Suite 101A the Retail Space in the Sycamore Center.

When the City acquired and renovated the Sycamore Center, emphasis was placed on keeping the State Street frontage as commercial retail space. Shop-in-Style (S.I.S.) has leased the retail space in the Sycamore Center since 2012 and is interested in continuing to lease the space.

The attached agreement includes a one-year lease for Suite 101A that commences on May 1, 2019, with a monthly rent of \$850 inclusive of utilities and taxes, with annual renewal options.

City Council approval is recommended.

E. Resolution No. 789—A Resolution Authorizing the Execution of an Extension to the Lease Agreement Between the City of Sycamore and Mr. G’s Music for Suite B101 in the Sycamore Center.

The attached agreement includes a six-month lease with the option to renew for Suite B101 that commences on May 1, 2019, with a monthly rent of \$700 inclusive of utilities and taxes, with annual renewal option.

City Council approval is recommended.

13. OTHER NEW BUSINESS

14. APPOINTMENTS

15. ADJOURNMENT