

SYCAMORE CITY COUNCIL
AGENDA
January 19, 2021

REGULAR CITY COUNCIL MEETING
7:00 P.M.

Pursuant to Governor Pritzker’s Executive Order No. 2020-07 (COVID-19 Executive Order No. 5), Governor Pritzker has suspended certain rules of the Open Meetings Act – specifically the Executive Order permits remote public meetings. In light of the current COVID-19 public health emergency and the limit on public gatherings, the City Council will conduct the meeting remotely.

To submit questions or comments during the Audience to Visitors portion of the meeting, please submit your questions prior to the start of the meeting to bgregory@cityofsycamore.com and your questions and/or comments will be read during the meeting and addressed, if appropriate, at that time.

Electronic Via Zoom

If you would like to listen to the meeting, please go to:

<https://us02web.zoom.us/j/86373073546?pwd=T1Q3azFzMzkyVDdvTEkrckc4L05nUT09>

Meeting ID: 863 7307 3546

Passcode: 964354

- 1. CALL TO ORDER AND ROLL CALL**
- 2. INVOCATION**
- 3. PLEDGE OF ALLEGIANCE**
- 4. APPROVAL OF AGENDA**
- 5. AUDIENCE TO VISITORS**

In accordance with previously adopted Rules, Public Comments shall be limited to a maximum of thirty minutes per meeting and the public may participate only during the “Public Comment” portion of the meeting. Comments shall not exceed three minutes per speaker unless limited to a shorter duration if numerous people wish to speak. All participants will be required to provide their name and address for the record. No speaker may speak more than once during any

meeting unless specifically permitted to do so by the presiding officer. The City encourages that a spokesperson be chosen for individuals wishing to speak about the same subject matter to avoid repetitive presentations. All remarks should be addressed to the City Council as a whole and not to any individual member or employee. In the event speakers pose questions the Council or City staff, they should be aware that those individuals may decline to answer. Each speaker shall maintain civility and decorum. The Presiding Officer retains the right to stop or remove any speaker who becomes disruptive to the meeting.

6. CONSENT AGENDA

- A. Approval of the Minutes for the Regular City Council Meeting of January 4, 2021.
- B. Payment of the Bills for January 18, 2021.
- C. Planning and Zoning Meeting Minutes from December 14, 2020.

7. APPOINTMENTS

8. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS

9. REPORTS OF OFFICERS

10. REPORTS OF STANDING COMMITTEES

11. PUBLIC HEARINGS

12. ORDINANCES

A. Ordinance 2020.21—An Ordinance Approving a Special Use Permit for Brian Fleetwood of Spider Tattooz to operate a Tattoo Parlor/Body Art Establishment (First Floor) at 220 East State Street in the City of Sycamore, Illinois, PIN number 06-32-285-003. First and Second Reading.

This request from Brian Fleetwood is for a special use permit to operate a tattoo parlor at 220 E. State Street in Sycamore. Mr. Fleetwood assumed operations of Spider Tattooz during the late Rick “Spider” Kramer’s battle with cancer. Spider Tattooz has operated at 126 ½ E. State Street since 2009 until a fire significantly damaged the property on September 17, 2020. Mr. Fleetwood has been working with City staff as he identifies a new location to continue operations. The property will be configured to include a living area where Mr. Fleetwood intends to reside. Accessory apartments are a permitted use within C-2 zoning districts.

In December 2020, the City Council approved updates to the City’s Unified Development Ordinance (UDO) relating to Tattoo Parlors to allow a special use permit in C-2 zoning, provided certain criteria are met.

H. PERSONAL AND BUSINESS SERVICES USES	AG	R-1	R-2	R-3	R-4	C-1	C-2	C-3	C-4	M-1	M-2	ORI
Tattoo Parlor/Body Art Establishment (<u>First or second floor and not located within the Conservation District as defined by Article 1.3.3.</u>)							S					
Tattoo Parlor/Body Art Establishment (first or second floor)								S				

The proposed first floor location at 220 E. State Street is zoned C-2, Central Business District, and is outside of the conservation district. Per Section 4.3.3 of the City’s Unified Development Ordinance a Special Use Permit shall be granted only if evidence is presented to establish that:

A. The proposed structure or use at the particular location requested is necessary or desirable to provide a service or a facility which is in the interest of the public and will contribute to the general welfare of the neighborhood or community;

B. The proposed structure or use will not have a substantial adverse effect upon the adjacent property, the character of the neighborhood, traffic conditions, utility facilities and other matters affecting the public health, safety, and general welfare; and

C. The proposed structure or use will be designed, arranged, and operated so as to permit the development and use of neighboring property in accordance with the applicable district regulations.

D. Such other standards and criteria as are established by the ordinance for a particular Special Use as set forth in Section 4.3.4 and as applied to Planned Developments as set forth in Article 4.4.

A public hearing was held at the Planning and Zoning Commission meeting. After consideration of the request the Planning and Zoning Commission forwarded a favorable recommendation to the City Council by a vote of 10-0.

City Council approval is recommended.

B. Ordinance 2020.22—An Ordinance Approving a Special Use Permit for Crossroads Community Church to operate a Church at 1330 East State Street, Units I and J, in the City of Sycamore, Illinois, PIN number 06-34-300-018. First and Second Reading.

This request from Crossroads Community Church is for a special use permit to operate a church at 1330 E. State Street in Sycamore. Crossroads Community Church has seven locations throughout northwestern Illinois and hopes to establish its Sycamore campus at 1330 E. State Street in Sycamore.

In December 2020, the City Council updated the City’s zoning code as it relates to churches to allow a special use permit in C-3 zoning. The petitioners intend to lease units I and J in the multi-tenant building from Jon and Judy Hoffman and are therefore requesting a special use permit. The property is zoned C-3, Highway Business District.

N. MISCELLANEOUS USES	AG	R-1	R-2	R-3	R-4	C-1	C-2	C-3	C-4	M-1	M-2	ORI
Cemetery	S	S	S		S							
Christmas Tree Sales	T						T	T		T		
Churches, Other Places of Worship	S	S	S	S	S		S	<u>S</u>				
Community Building		S	S	S			S	S	S			

Per Section 4.3.3 of the City’s Unified Development Ordinance. This section of the UDO states that a Special Use Permit shall be granted only if evidence is presented to establish that:

A. The proposed structure or use at the particular location requested is necessary or desirable to provide a service or a facility which is in the interest of the public and will contribute to the general welfare of the neighborhood or community;

B. The proposed structure or use will not have a substantial adverse effect upon the adjacent property, the character of the neighborhood, traffic conditions, utility facilities and other matters affecting the public health, safety, and general welfare; and

C. The proposed structure or use will be designed, arranged, and operated so as to permit the development and use of neighboring property in accordance with the applicable district regulations.

D. Such other standards and criteria as are established by the ordinance for a particular Special Use as set forth in Section 4.3.4 and as applied to Planned Developments as set forth in Article 4.4.

A public hearing was held at the Planning and Zoning Commission meeting. After consideration of the request the Planning and Zoning Commission forwarded a favorable recommendation to the City Council by a vote of 10-0.

City Council approval is recommended.

C. Ordinance 2020.23—An Ordinance Approving an Amendment to Article 5.2.1, “Conditions of Use,” Section A. “Scope and Purpose,” of the Sycamore Unified Development Ordinance, Adopted May 1, 2005. First and Second Reading.

This item includes a proposed modification of the UDO requiring permission from the City prior to construction of hard surfaces on public easements and clarifying that utility companies have the right to utilize such easements. The language underlined below would create a new subsection that would be number 13, with the current 13 becoming number 14.

**Article 5.2
Conditions of Use**

5.2.1. Scope and Purpose. In order to carry out the recommendations of the Sycamore Comprehensive Plan and the purpose and provisions of this Ordinance, all uses permitted in the zoning districts described in Article 5.1 of this Title shall be subject to all of the applicable conditions and restrictions, as follows:

A. All uses in all districts shall be subject to the following conditions:

13. No hard surface, including both impervious surfaces (sidewalk, driveway, parking area, etc.) and pervious surfaces (man-made porous asphalt, paver blocks, etc.) shall be constructed, occupied or established on any public utility, drainage, or pipeline easement, except with the written permission of the City and all utility companies having rights to use the easement.

A public hearing was held at the Planning and Zoning Commission meeting. After consideration of the request the Planning and Zoning Commission forwarded a favorable recommendation to the City Council by a vote of 10-0.

City Council approval is recommended.

D. Ordinance 2020.24—An Ordinance Authorizing a Loan Agreement for the City Sycamore, Illinois, a Home Rule Entity through the Public Water Supply Loan Program. First and Second Reading.

This ordinance authorizes the City to pursue a loan from the Illinois EPA Public Water Supply Loan Program for the planning, design, and evaluation of the Lead Water Service Replacement Project. The requested loan is for up to \$1,100,000, with the majority being forgivable.

The proposed Lead Water Service Replacement Project intends to replace existing lead service lines from the City main to the residents' meters. The City has identified one-hundred and fifty existing services but included a larger section of the existing corporate limits for the potential project limits. The goal is to remove lead services as a preventative measure against lead exposure.

Authorization of the loan by the City Council is the next step in the process of utilizing this forgivable loan program.

City Council approval is recommended.

13. RESOLUTIONS

14. CONSIDERATIONS

A. Consideration of an Administration Request for Direction Regarding the 2021-2022 General Fund Fiscal Year Budget.

The City's annual budget process begins each January with preliminary assumptions about revenue trends and spending priorities for general operations in the upcoming fiscal year. The assumptions are made using the most current financial information available and are offered to invite Council direction as the City staff begins the process of preparing a new fiscal year budget that will take effect on May 1st. The culmination of this effort is a preliminary budget for review in mid-March. The following report summarizes projected General Fund revenues and spending goals for FY2022.

General Fund Revenues

There are several sources of general operating revenues, but the main sources are sales and use taxes, intergovernmental revenue—including the local share of the state income tax, and property tax, which collectively make-up 76.35% of all general operating revenues. The amounts collected from minor revenue sources such as fees, fines and other miscellaneous revenues round out the funds available for general operations. The total estimated general fund revenues, including pension pass through funds, are \$18,139,021 in FY22.

A breakdown of revenue sources and assumptions are as follows:

1. Property Tax: 17.30%

This year, the property tax rate decreased by 3.05%; with the total levy increasing by 0.83%, the increase primarily attributed to the actuarial required contribution for police and fire pensions. New construction of 0.98% of the City's estimated EAV means that current taxpayers will pay roughly the same amount of property tax to the City as the prior year.

Property tax is expected to generate \$771,635 toward the fire pension, \$556,767 toward police pension and \$337,175 toward social security and Illinois Municipal Retirement Fund (IMRF). When pension contributions for police, fire and IMRF are removed, property taxes only make up 8.94% of the remaining general fund budget.

A total of \$437,086 of debt service obligations are abated from the property tax levy. These obligations are met primarily through the use of other dedicated sources of revenue. Historically, the City has levied \$155,000 toward debt service beginning with the 1999 General Obligation Bond. The remaining debt service is paid from general operating and capital funds.

2. Sales and Use Taxes: 47.09%

Sales and use taxes make up nearly one-half of the City's general operating budget. These taxes include the state 1% sales tax, home rule sales tax, restaurant and bar tax and telecommunications tax. Without police and fire pension property tax pass thru funds these sources account for 50.81% of all general fund revenues.

State Sales and Use Tax. This 1% tax is applied against all retail sales within the City and accounts for about 25% of all annual general revenues. Tax receipts are processed by the Illinois Department of Revenue before funds are remitted to the City. Using monthly comparisons to establish a trend line, it appears the state 1% tax will yield about \$4,700,847 by April 30 which is slightly ahead of the FY21 budget projection (\$4.63 million) for this line item. Based on current trends and economic variables, the projection for FY22 would put the 1% receipts at about \$4,910,252.

Home Rule Sales Tax. The City's home rule sales tax funds general operations, capital projects and the street maintenance program. Home rule sales tax is applied to general merchandise sales but not to items such as grocery, medical supplies and automobiles. Currently, the City's home rule tax is 1% for general operations, .25% for capital projects and .50% for street maintenance.

Current trends suggest the home rule sales tax revenue of the \$2,026,243 will be slightly behind the FY21 budget (\$2.13 million). Home rule tax proceeds estimated to be \$2,252,695 will comprise 12.42% of all General Fund revenues in FY22.

Restaurant/Bar Tax. In 2002, a 2% restaurant/bar tax was implemented to support general operations and to fund debt service. This is considered a local tax, meaning it is administered and collected by the City. In FY22, tax revenues from this source (\$1,088,762) are projected to constitute 6.00% of general revenues.

Telecommunication Tax. In 2003, a 5% telecommunication tax was implemented. This tax applies to both land-lines and cellular phones and is charged against the caller’s billing address. This tax is collected by the Illinois Department of Revenue and remitted monthly to the City. Telecommunication tax revenues continue to trend downward. As a result, the expected FY22 telecommunication tax revenue estimate has been reduced to \$289,645 which will constitute 1.60% of the total budgeted operating revenues. As a point of reference, the total of all sales and use tax revenues for the General Fund are illustrated below:

Fiscal Year	Total	Difference	Percent
FY2011	\$5,540,647	\$732,459	15.23%
FY2012	\$6,273,774	\$733,127	13.23%
FY2013	\$6,914,746	\$640,972	10.22%
FY2014	\$6,897,681	-\$71,746	-.25%
FY2015	\$7,361,236	\$72,211	1.05%
FY2016	\$7,508,864	\$147,628	2.01%
FY2017	\$7,326,839	-\$182,025	-2.42%
FY2018	\$7,628,832	\$301,993	4.12%
FY2019	\$7,729,641	\$100,809	1.32%
FY2020	\$8,043,517	\$313,876	4.06%
FY2021 (Est.)	\$8,027,090	-\$16,427	-.20%
FY2022 (Budget)	\$8,541,354	\$514,264	6.41%

Budgeted FY22 sales and use tax revenues are expected to increase over FY21 estimates (reflective of October 2020 R&B Tax waivers) by 6.41%.

Sales and Use Tax Breakdown

	1%	Home Rule	Telecom	Rest/Bar	Total
FY21 Budget	4,663,211	2,128,997	300,000	1,133,449	8,195,657
FY21 Estimate	4,700,847	2,026,243	289,000	1,000,000	8,016,090
FY22 Budget	4,910,252	2,252,695	289,645	1,088,762	8,541,354

3. Licenses: 0.68%

Licenses are modest fees charged to offset the administration and enforcement of specific programs. These include revenue for liquor licenses, dog tags, electrical and other licenses. In FY22, it is recommended that the annual license fee per video gaming machine be increased to offset the cost of administering the program.

4. Intergovernmental Revenue: 11.97%

Intergovernmental revenue includes funds that come from agreements with other taxing bodies such as our boundary agreement with the City of DeKalb, any grant revenue and state shared revenue, notably income tax. Intergovernmental revenue is expected to produce \$2,170,698 in FY22.

Income Tax. A percentage of all state income tax receipts are deposited into the Local Government Distributive Fund through the Illinois Department of Revenue and distributed to municipalities on a per capita basis. This percentage has historically changed on a proportionate basis to reflect the current State income tax rate. The City budget projections for FY22 is based on an average (\$102.50) of the Illinois Municipal League estimates of \$105 per capita (fiscal year) and \$100 per capita (calendar year) as published in November 2020. Given the City's population of 17,519, Sycamore's share of income tax receipts is estimated to be \$1,795,698. This is a reduction of \$66,572 or \$3.80 per capita from the FY21 budget.

It should be noted that this assumes that the State of Illinois will not make reductions to the formula by which income tax is distributed to local governments.

5. Service Charges: 6.82%

Service charges include ambulance fees, fire and ambulance protection district fees and development fees. Service charges are expected to generate \$1,236,391 in FY22. The largest revenue source in this category is fire user fees which are estimated to be \$788,130.

Development related fees remain relatively static with a consistent pace of development in all three sectors over the past few years. A similar trend is anticipated in FY22.

6. Fines and Fees: 0.91%

Fines and fees are generally associated with revenue received from court fines, ordinance violations, parking meter fees and other fines associated with administrative adjudication. These sources are estimated to generate a total of \$165,000 in FY22.

7. Other Income/Transfers: 15.24%

The majority of the other income category involves revenue generated from trash removal services. This allocation (\$1.723 million) is offset by a corresponding expense paid to Waste Management for garbage collection. Other sources include franchise fees, reimbursements and operating transfers. Operating transfers are made to offset the services performed by the General Fund on behalf of one of the other funds. At this point, no reserve transfers are anticipated in FY22 to support general operations.

Overall, revenue projections assume a continuation of modest growth and development. The projections do not anticipate any significant impact either positive or negative based on the economic climate and revenue sharing models of the State or Illinois. Based on the trends and projections the total revenues of \$18,139,021 will offset expenditures associated with general operations and pension obligations.

General Fund Expenditures

On the spending side, the preliminary FY22 budget includes:

- A total of \$18,129,765 in expenditures; representing an overall increase of 2.23%.
- The same level of service and number of personnel are anticipated as were authorized in the FY21 budget.
- Personnel expenses (wages, salaries, FICA, Medicare, IMRF, Police and Fire Pension) will again account for over half of the overall General Fund budget (56.44%). When combined with the cost of insurance coverage (health, life, work comp and liability), employee costs reach 72.74% 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.
- \$367,500 will be transferred to the 2012 and 2017 Refunding Bond Funds in FY22 to assist with debt service obligations.
- Pension contributions to the Police, Fire and IMRF (with the exception of personnel assigned to the Water and Sewer Funds) pass through or are expended from the General Fund.
- The preliminary FY22 General Fund budget is balanced without reliance on transfers-in from capital funds or reserves.

Summary

The preliminary FY22 General Fund budget is balanced as presented. City departments continue to provide high levels of services while working within the resources available. For a number of years, the City has worked to add predictability to the property tax levy, service levels remain strong and the General Fund is not reliant on capital transfers in FY22. The City has taken steps to ensure budget flexibility while forecasting as accurately as possible given the unknown impacts the COVID-19 pandemic.

A breakdown of individual FY22 revenues and expenditures by department is attached.

Over the next several meetings, the budget process preliminary assumptions for the different funds will be presented as follows:

February 1st: Water and Sewer Funds

February 15th: Capital Funds and Capital Improvement Plan

March 1st: Special and Bond Funds

March 15th: Preliminary Budget

April 5th: Public Hearing and First Reading on Appropriation Ordinance

April 19th: Second Reading and Adoption of Appropriation Ordinance

Moving forward in this process, City management will continue to monitor trends and look to solidify these assumptions and make changes where necessary for final presentation in April.

City Council direction is requested.

B. Consideration of an Administration Recommendation for a Closed Session to Discuss Collective Bargaining, Pending Litigation and Personnel Matters.

15. OTHER NEW BUSINESS

16. ADJOURNMENT