



DEKALB CITY COUNCIL AGENDA JUNE 10, 2019

DeKalb Municipal Building
City Council Chambers
Second Floor
200 S. Fourth Street
DeKalb, Illinois 60115

REGULAR CITY COUNCIL MEETING 6:00 P.M.

- A. CALL TO ORDER AND ROLL CALL**
- B. PLEDGE OF ALLEGIANCE**
- C. APPROVAL OF THE AGENDA**
- D. PUBLIC PARTICIPATION**
- E. PRESENTATIONS**
 - 1. Safe Passage FY2019 Human Services Funding Report by Director of Communication and Prevention Services Lynnea Laskowski.**
- F. APPOINTMENTS**

None.
- G. CONSENT AGENDA**
 - 1. [Minutes of the Regular City Council Meeting of May 28, 2019.](#)**
 - 2. [Approval of Executive Session Minutes.](#)**
 - 3. [Accounts Payable and Payroll through June 10, 2019, in the Amount of \\$2,092,420.35.](#)**

Assistive services available upon request.

Hearing assistance devices are available in the Information & Technology Office, which is located to the right, just before entering Council Chambers.

4. Resolution 2019-089 Authorizing the Execution of a Workers' Compensation Lump Sum Petition and Order in the Amount of \$158,674.

City Manager's Summary: On January 30, 2015, Jason Fore was injured while working as a Firefighter with the City's Fire Department. Mr. Fore underwent medical treatment for his injury.

On February 17, 2015, Mr. Fore suffered a second injury while on-duty for which he received medical treatment. Ultimately, Mr. Fore was granted a line-of-duty disability pension by the DeKalb Firefighters' Pension Board for this second injury and is no longer employed by the City.

The City has reached a tentative agreement on a proposed settlement of worker comp claims, which is subject to approval by the City Council, and also subject to approval by the Illinois Workers' Compensation Commission Arbitrator.

The proposed settlement contemplates payment of current medical bills, vocational rehabilitation, and a permanent partial disability payment totaling \$158,674. The settlement also contemplates that future medical treatment would be closed and Mr. Fore would be held harmless for any medical bills paid by the City's group medical insurance carrier. In the absence of settling this claim, it is likely to proceed to a contested hearing, with an uncertain outcome and in which the City would incur further defense costs. To date, the City has incurred \$132,195.41 in claims related to the two injuries noted above.

City Council approval is recommended. ([Click here for more information.](#))

H. PUBLIC HEARINGS

1. Community Development Block Grant (CDBG) Annual Action Plan (One Year Use of Funds) for Program Year 26 (April 1, 2019 through March 31, 2020).

City Manager Summary: On March 4, 2015, the City Council approved the CDBG Five-Year Consolidated Plan 2015-2019. The Annual Action Plan (attached hereto) lists the specific activities that will be funded from CDBG in a single year. The Annual Action Plan must include a budget for the coming year that is based on the five-year objectives as identified in the Consolidated Plan. The 2019 CDBG allocation is \$439,129. In addition to the annual allocation, the City will utilize carry-over or unspent dollars from previous years.

The proposed 2019 CDBG funding is as follows:

	2019 Funds	Carryover
Housing Rehabilitation	\$ 60,000	(+ \$169,822)
Public Services	\$ 65,860	(15% cap)
Public Facilities	\$ 225,444	(+ \$624,438)
Administration	\$ 87,825	(20% cap + \$46,127)
Demolition	\$ 0	(+ \$35,000)
Total:	\$ 439,129	(\$875,387 Carryover)
Total Funds Available:	\$1,314,516	

The draft of the Annual Action Plan was posted on the City’s website and printed copies were made available at the DeKalb Public Library, at City Hall in the Community Development Department, and at the City Hall Front Desk for a 30-day citizen review period. A press release was sent to the local media to be published on May 10, 2019 to advise the public of the availability of the document for review and comment. The public was notified of the Public Hearing in the form of a Public Notice published on May 10, 2019.

This Public Hearing will provide an additional opportunity for public comment. [\(Click here for more information.\)](#)

I. CONSIDERATIONS

1. Consideration of a Request by Barb City Manor to Extend the Current Lease with the City of DeKalb.

City Manager’s Summary: At the City Council meeting of May 13, the Council considered several options regarding the current lease with Barb City Manor, which expires on June 30. Barb City Manor has continuously leased the property at 680 Haish Boulevard since 1979. It is an affordable independent living center for persons 62 years of age and older.

The focus of the Council discussion on May 13 was the City’s ability to continue to meet its long-standing obligation, as a component of the lease, to provide annual assistance for capital repairs and maintenance. For the past 20 years, the City has provided a maximum annual contribution of up to \$100,000 for maintenance and repair work. Any portion of that annual contribution that has gone unspent in any given year has been rolled over to subsequent years, according to the current lease. Since the creation of TIF #2 in 1995, the \$100,000 annual City allocation for maintenance and repairs at Barb City Manor has been funded by TIF #2. The 2019 City maintenance allocation for Barb City Manor is \$147,000 plus an additional \$101,129 in “carryover” obligations for a total of \$248,129 owed to Barb City Manor.

With the closing of TIF #2, the City will have no dedicated, recurring source of capital support for Barb City Manor unless the Council identifies a new capital source.

Assistive services available upon request.

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At the May 13 Council meeting, Mayor Smith proposed some discussion around a possible five-year transitional lease during which the City would gradually reduce its support from \$50,000 in 2020, to \$40,000 in 2021, to \$30,000 in 2022, to \$20,000 in 2023 and \$10,000 in 2024. It was assumed that Barb City Manor could offset the diminishing level of City capital support with enhanced private fundraising. After some discussion, the Council's general direction to the City Manager was to continue to meet with the Barb City Manor management to work toward a tentative agreement around a transitional lease with achievable financial terms.

After further staff-level discussions, Maureen Gerrity, the Administrator for Barb City Manor, approached her Board with the concept of a transitional lease. The Board's considered response is represented in the attached letter of May 31 from Ms. Gerrity. **The Board's counterproposal is a 10-year lease agreement with an annual contribution of \$50,000 to meet continuing capital needs.**

If the Council were to counter with a proposal for a five-year lease with a level \$50,000 annual capital contribution, the difference in relation to the proposal by the Barb City Manor Board would be \$250,000. Alternately, the financial difference between the 10-year lease proposed by the Barb City Manor Board and the diminishing annual capital contribution proposed by Mayor Smith on May 13 would be \$350,000.

Further Council direction is requested. ([Click here for more information.](#))

J. RESOLUTIONS

1. **Resolution 2019-090 Approving the Community Development Block Grant (CDBG) Annual Action Plan (One Year Use of Funds) for Program Year 26 (April 1, 2019 through March 31, 2020).**

City Manager Summary: The public hearing (see above) on the FY2020 CDBG Annual Action Plan identifies the spending of federal funds within a 12-month period that conforms to the federal fiscal year (April 1 through March 31) and not the City's fiscal year (January 1 through December 31).

Provided there are no Council revisions based on the results of the Public Hearing on this Agenda, **the City Manager recommends the Council's approval. ([Click here for more information.](#))**

2. **Resolution 2019-091 Authorizing the Award of a Bid with D. Ryan Tree & Landscaping, LLC for Tree Removal, Trimming, and Emergency Storm Cleanup from July 1, 2019 through December 31, 2022.**

City Manager's Summary: The City's forestry crew maintains over 6,000 City-owned trees. Most of the work is performed in-house by City personnel, but the workload at times requires staff to call upon an outside contractor to assist. This has especially been true with the increase in tree removals owing to the emerald ash bore blight.

To fill this need, staff solicited a Request for Bids (RFB) on May 3, 2019 for a three-and-one-half year contract for tree removal, trimming, and emergency storm cleanup. The bid opening was held on May 30, 2019. The bid documents specified that the contractor needed to provide a three-person forestry crew with all necessary equipment. Only one bid was received:

Service	D. Ryan Tree & Landscaping, LLC
Tree Trimming	\$185.00 per hour
Tree Removal	\$ 19.00 per inch at DBH <15" \$ 23.00 per inch for >15"
Storm Cleanup	\$450.00 per hour
Emergency Services	\$450.00 per hour

Ryan is a local company based in DeKalb. Ryan has performed tree services for the City for the past four years. The Public Works staff have been pleased with the company's services and timely responses and recommends Council approval of the low bid by Ryan.

City Council approval is recommended. ([Click here for more information.](#))

3. Resolution 2019-092 Authorizing an Intergovernmental Agreement with the Illinois Department of Transportation for Public Transit Funding from the Illinois Downstate Operating Assistance Program from July 1, 2019, through June 30, 2020, in an Amount Not to Exceed \$5,711,600.

City Manager's Summary: The approval of this Resolution authorizes the Mayor to sign an Intergovernmental Agreement (IGA) between the Illinois Department of Transportation (IDOT) and the City to provide public transit operating assistance to the City's contracted Transit Services Providers (TSP). The annual Downstate Operating Assistance Program (DOAP) IGA allows the City to provide its Transit partners with funds to operate public transit services in the DeKalb urbanized area (UZA) and reimburses the City for costs it incurs administering public transit in the UZA. The IGA provides up to \$5,711,600 in state funds for the operating costs to provide public transit for the DeKalb UZA for State Fiscal Year (SFY) 2020 (July 1, 2019, through June 30, 2020).

The Illinois DOAP grant provides 65% of the funding for the operating expenses of the Transit Services Providers allowing the City to provide public transit. The City reimburses the TSP's for 65% of their operating expenses using DOAP

funds. As the grant recipient, the funds are administered through the City's Special Transportation Fund 09.

In the state's fiscal year 2020, the City will use the DOAP grant funds to operate the Huskie Line fixed route system including bus routes within the community and the campus of Northern Illinois University (NIU). DOAP funds will also be used to operate VAC transit services which includes the majority of the paratransit services and limited fixed-route services. We hope to create new routes in SFY2020, with the potential of expanding transit service to employers.

City Council approval is recommended. [\(Click here for more information.\)](#)

4. Resolution 2019-093 Authorizing a Special Event Agreement with DeKalb Corn Fest, Inc. for the 2019 Corn Fest.

City Manager's Summary: On May 13, the Council approved a non-profit special liquor license for the 2019 Corn Fest. This resolution approves a special event agreement similar to one approved by the Council in recent years. It permits DeKalb Corn Fest, Inc. to conduct their event in the Central Business District and obtain a street closure on Lincoln Highway. The agreement also defines hours of operation, insurance coverages, etc.

City Council approval is recommended. [\(Click here for more information.\)](#)

5. Resolution 2019-094 Initiating the Establishment of an Estimated Completion Date for Tax Increment Financing (TIF) District 1.

City Manager's Summary: At the City Council meeting of May 23, the Council informally affirmed its concurrence with the consensus of the TIF Joint Review Board (JRB) concerning the early termination of TIF #1 at the end of FY2021 rather than FY2022. This Resolution formalizes that concurrence in advance of some ordinance revisions that can be brought to the Council as the City's new legal counsel has the opportunity to review the TIF documentation for the historic TIF #1.

Background

In special JRB meetings in January and February of this year, the City Manager introduced an alternative concept that would deliver a substantial surplus to the other taxing bodies in future years without limiting funds available in TIF #3 for projects with a reasonable return on investment. The alternative was the early termination of TIF #1 by one year.

TIF #1 will expire in FY2022. TIF #1 currently surpluses 50% of all annual property tax increment to local taxing bodies. The proposal that gained a favorable consensus among the JRB representatives contemplates closing TIF #1 at the end of FY2021 instead of FY2022. The result is a surplus payout in

FY 2022 roughly comparable to 16 years of the proposed TIF #3 IGA's annual surplus distributions. The following table illustrates this comparison:

Taxing District	TIF 3 Surplus (16 years)	FY2022 TIF 1 Revenue
DeKalb County	\$ 388,509.90	\$ 330,598.11
DeKalb Forest Preserve	\$ 27,160.92	\$ 23,112.28
DeKalb Township	\$ 58,060.78	\$ 49,406.16
DeKalb Road & Bridge	\$ 68,049.18	\$ 57,905.68
City of DeKalb	\$ 408,640.93	\$ 347,728.39
DeKalb Library	\$ 155,075.58	\$ 131,959.81
District 428	\$2,655,977.41	\$2,260,073.97
Kishwaukee College	\$ 227,750.58	\$ 193,801.79
DeKalb Park District	\$ 254,296.92	\$ 216,391.09
KWRD	\$ 47,427.64	\$ 40,358.02
TOTAL	\$4,290,949.84	\$3,651,335.30*

*A net present value calculation of the money in hand versus a discounted future value shows little difference between the lump sum TIF #1 contribution and the sum of annual TIF #3 surpluses over 16 years.

The numbers in the table are reliable estimates but the FY2022 revenues for each taxing district will ultimately depend on each district's levy that is set in the initial year after the incremental EAV goes back onto the tax rolls.

The City Manager recommends the Council's approval of this Resolution, which conforms to the JRB consensus. ([Click here for more information.](#))

6. Resolution 2019-095 Budgeting a Preliminary Development Tax Increment Financing Incentive for the Redevelopment of the Former Mooney Properties at 204 N. Fourth Street and 420 Oak Street for Commercial and Residential Uses Subject to a Final Redevelopment Agreement.

City Manager's Summary: On May 13, the Council favorably reviewed a conceptual development plan and a request from John Pappas for tax increment financing assistance to redevelop the six parcels at the northeast corner of N. Fourth Street and Locust Street. On May 22, the Planning and Zoning Commission favorably reviewed the concept of the redevelopment of the former Mooney parcels, and recommended further attention to the façade design and possibly the configuration of the buildings on the site. Specifically, the possibility of bringing the buildings closer to the intersection in the manner of the existing structure was discussed but no binding direction was specified.

Assistive services available upon request.

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The attached revisions to the conceptual site plan address those suggestions. In addition, more off-street parking spaces (38) have been added for a total of 215 spaces versus 177 in the original conceptual site plan.

In late March, Mr. Pappas agreed to a 90-day purchase and sale agreement with Heartland Real Estate Holdings, the seller of the former Mooney parcels. As the potential buyer, Mr. Pappas has been performing his due diligence, which has included the public consideration by the Council and the community of his redevelopment plans as well as a request for TIF assistance in the amount of \$3 million.

The Preliminary Redevelopment Request

The attached Resolution anticipates several phases of redevelopment that begin with the razing of existing structures, environmental remediation, and utility reconstruction; the erection of an L-shaped facility with approximately 113,200 square feet of taxable space, and the installation of a variety of site improvements such as paved parking, landscaping, screened refuse areas, outdoor patios, etc.

Estimated project costs: \$13,875,000

TIF request: \$3,000,000

Time to Completion: 2.5 years

The Resolution identifies a dedication of \$2,075,000 from TIF #1 funds for the purpose of funding the following costs:

- Environmental remediation: \$300,000
- Demolition: \$400,000
- Footing removal: \$100,000
- Gas and Electrical Infrastructure: \$250,000
- Storm and Sanitary Sewer Infrastructure: \$300,000
- Engineering & Surveying: \$75,000
- Structural & Architectural Design: \$250,000
- City Sidewalks: \$150,000
- Land Acquisition: \$250,000

Additionally, the Resolution identifies a commitment of an additional \$462,500 when the L-shaped facility is 50% completed, and a further disbursement of \$462,500 when the entire facility receives a final occupancy certificate from the City. This additional \$925,000 could be paid from FY2020 and FY2021 TIF #3 funds or ported from TIF #1 in FY2020 and FY2021. **The total preliminary commitment would be \$3,000,000 or 21.6% of the projected project cost.**

City Council approval is recommended. [\(Click here for more information.\)](#)

7. Resolution 2019-096 Authorizing a Special Event Agreement with FunME Events for the 2019 Balloons, Brews, and Blues Event.

City Manager's Summary: In 2018, Michael Embrey approached City staff with the idea of hosting a special event highlighting the DeKalb Taylor Municipal Airport (DTMA). Mr. Embrey envisioned an event that would feature hot air balloons, craft beer, food, and live music. The proposed event eventually became known as "Balloons, Brews & Blues." Unfortunately, the plans could not be developed in time to hold the event in 2018.

Over the past several months, Mr. Embrey has worked with the Public Works staff to develop the scope of this event to ensure that DTMA is an appropriate venue. Tom Cleveland assisted in the development of site plans for the event area and has ensured that the event is in compliance with all federal, state, and local regulations as it pertains to the operation of DTMA.

The City's executive team reviewed the proposal for this special event, evaluating the feasibility of the location and the potential need for City resources. Former Police Chief Gene Lowery recommended that two Police Officers be dedicated to the event. Fire Chief Jeff McMaster recommended that the event be staffed with an ambulance crew of two Firefighter/Paramedics. Other City departments identified no significant hurdles in planning for this event.

The Balloons, Brews and Blues event is expected to generate restaurant and bar taxes, bring beneficial tourist activity to the City, and generate interest in DTMA. It is difficult to estimate the exact economic impact of this event as it is a first-time affair with attendance unknown at this time. The City will incur costs in providing staff support to enable the safe and responsible conduct of the event; however, the agreement requires FME to reimburse the City for costs related to the provision of Police and Fire services.

City Council approval is recommended. ([Click here for more information.](#))

8. Resolution 2019-097 Authorizing an Intergovernmental Agreement with the DeKalb Township Road District for Maintenance on Rich Road and Coltonville Road.

City Manager's Summary: The attached intergovernmental agreement pertains to the maintenance of Coltonville Road. It permits the DeKalb Township Road District to assume the maintenance of some annexed portions of the Coltonville roadway immediately east of the intersection of N. First Street and Coltonville Road. The attached graphic illustrates the small section.

City Council approval is recommended. ([Click here for more information.](#))

9. Resolution 2019-098 Authorizing an Amendment to Resolution 2014-038 and Initiating a Six-Month Extension to the Agreement with Northern Illinois University for Safety Services Including Fire Protection and Ambulance Service through December 31, 2019.

City Manager's Summary: The City of DeKalb and Northern Illinois University (NIU) began negotiations for a new City/NIU Fire Agreement in October 2018. The current agreement, which was approved on June 9, 2014 through Resolution 2014-038, is a 60-month contract that expires June 30, 2019. The City and NIU negotiating teams mutually agreed to seek a six-month extension until December 31, 2019. This extension will allow both sides to negotiate a full-term Agreement that addresses basic EMS and fire suppression services, plus special event services and the use of NIU facilities for training during summer and holiday breaks.

The current negotiating team consists of the City Manager and Fire Chief for the City, and John Heckman, Associate Vice-President of Facilities Management & Campus Services, Scott Mooberry, Director of Environmental Health & Safety, and James Garman, Assistant Director of Physical Plant for NIU. The NIU group reports to the NIU Board of Trustees for approval.

The extension runs until December 31, 2019 and provides an additional \$415,857 for City services at the same rate per call as in the first six months of this fiscal year.

City Council approval is recommended. ([Click here for more information.](#))

K. ORDINANCES – SECOND READING

None.

L. ORDINANCES – FIRST READING

1. Ordinance 2019-044 Amending the Fiscal Year End December 31, 2018 Budget.

City Manager's Summary: The City of DeKalb's finances are audited annually by an external company according to local code and state statute. During the FY2018 audit, four funds out of 29 total funds were identified as exceeding budgeted dollars. The funds that exceeded budgeted dollars in FY2018 were the Foreign Fire Insurance Fund (290), the Capital Projects Fund (400), the Airport Fund (650), and the Workers' Compensation/Liability Insurance Fund (710). The table on the following page shows the individual expenditure line items that went over budget for these individual funds:

Foreign Fire Insurance Tax Fund	Account Number	Increase	Revised Budget
Expenditure			
Small Tools & Equipment	290-00-00-53300	\$4,185	\$10,185
Office Furniture & Equipment	290-00-00-86200	\$9,337	\$15,337
Net Increase		\$13,522	

Airport Fund	Account Number	Increase	Revised Budget
Revenue			
Federal Pass-Through Grants	650-00-00-33150	\$101,193	\$101,193
Expenditure			
Airport Fuel (For Resale)	650-00-00-55100	\$36,131	\$461,131
Other Capital Improvements	650-00-00-83900	\$101,193	\$101,193
Net Increase		\$36,131	

Workers' Comp/Liability Insurance Fund	Account Number	Increase	Revised Budget
Revenue			
Investment Interest	710-00-00-37100	\$4,941	\$6,441
Property Damage Compensation	710-00-00-38300	\$45,939	\$60,939
Expenditure			
Claims: Self-Insurance Claims – Workers' Compensation	710-00-00-69150	\$51,454	\$451,454
Net Increase		\$574	

The Foreign Fire Insurance Tax Fund, which is comprised of revenues generated from a tax on fire insurance premiums on properties located in the City, had expenditures for the purchase of materials, for the construction of a new kitchen table, and miscellaneous firefighting tools. These expenditures exceeded budgeted amounts.

In FY2017, the City implemented a low-margin jet fuel pricing strategy in order to incentivize jet traffic to refuel at the DeKalb Taylor Municipal Airport. The result of this strategy was an increase in jet fuel purchased in FY2018. Increased jet fuel sales required the expenditure of additional funds to purchase fuel for resale in excess of budgeted amounts. In addition, the Airport Fund received a Federal pass-through grant, which prompted higher-than-budgeted expenditures on airport engineering services associated with previously approved federal and state-funded airport projects, specifically detention basin construction and T-hanger pavement rehabilitation.

The Workers' Compensation/Liability Insurance Fund had claim-related expenditures in excess of budgeted amounts. The City did receive reimbursement revenue and investment interest that was greater than expected, which offset the expenditures.

These amendments were recommended by the audit team to ensure continued compliance with generally accepted accounting principles (GAAP).

In order to amend the FY2018 budget, a two-thirds super-majority vote of the City Council is required. The City Manager asks the Council to approve the Ordinance on first reading and waive second reading in order to complete the audit process. ([Click here for more information.](#))

2. Ordinance 2019-045 Prohibiting the Use of Groundwater as a Potable Water Supply by the Installation or Use of Potable Water Supply Wells or by Any Other Method at 125 N. Annie Glidden Road.

City Manager's Summary: Road Ranger LLC, the owner of the fuel station at 125 N. Annie Glidden Road, has nearly passed all IEPA hurdles relating to its repair of leaking underground fuel storage tanks. One step remains: the City needs to confirm that it will not permit any groundwater wells within an impact zone proximate to the site of the leaks.

As an enrollee in the IEPA Site Remediation Program, Road Ranger requests the City's cooperation with this request. The materials provided by the owner's consultant are included in the background to this Agenda item.

City Council approval is recommended. ([Click here for more information.](#))

M. REPORTS AND COMMUNICATIONS

- 1. Council Member Reports**
- 2. City Clerk Report**
- 3. City Manager Report**

N. EXECUTIVE SESSION

None.

O. ADJOURNMENT

[FULL AGENDA PACKET](#)