



**DEKALB CITY COUNCIL AGENDA
REGULAR MEETING
DECEMBER 13, 2021
6:00 P.M.**

DeKalb Public Library
Yusunas Meeting Room
309 Oak Street
DeKalb, Illinois 60115

COVID-19 Notice: The corporate authorities of the City of DeKalb intend to conduct this meeting in-person with a physically present quorum that is open to the public and in compliance with all applicable public health requirements. Pursuant to Governor Pritzker's Executive Orders 21-22 and 21-30, all persons attending this meeting who are age two or over and able to medically tolerate a face covering (a mask or cloth face covering) shall be required to wear protective face masks/coverings.

A. CALL TO ORDER AND ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF THE AGENDA

D. PRESENTATIONS

None.

E. PUBLIC PARTICIPATION

F. APPOINTMENTS

- 1. Appointment of Steve Honeywell as Chair to the Citizens' Environmental Commission for a Two-Year Term through December 31, 2023.**

G. APPROVAL OF THE MINUTES

- 1. Minutes Submitted by the City Clerk**

None.

- 2. Minutes Submitted by the Recording Secretary**

- a. [Minutes of the Special Joint City Council and Finance Advisory Committee Meeting of November 15, 2021.](#)**
- b. [Minutes of the Regular City Council Meeting of November 22, 2021.](#)**
- c. [Minutes of the Special City Council Meeting of December 2, 2021.](#)**

d. [Approval of Executive Session Minutes.](#)

H. **CONSENT AGENDA**

1. [Accounts Payable and Payroll through December 13, 2021, in the Amount of \\$4,075,431.65.](#)
2. [Investment and Bank Balance Summary through October 2021.](#)
3. [Year-to-Date Revenues and Expenditures through October 2021.](#)
4. [Freedom of Information Act \(FOIA\) Report – November 2021.](#)
5. [Approval of the 2022 Schedule of Meetings.](#)
6. [DeKalb Police Pension Fund Municipal Compliance Report for the Fiscal Year Ended December 31, 2020.](#)
7. [DeKalb Firefighters Pension Fund Municipal Compliance Report for the Fiscal Year Ended December 31, 2020.](#)
8. **Resolution 2021-104 Approving the Cancellation of the December 27, 2021 Regular Meeting of the City Council, and Approving the Payment of Invoices for the Second Part of December Prior to the January 10, 2022 Regular Meeting of City Council.**

City Manager's Summary: Cancellation of the December 27, 2021 meeting will not negatively impact City business. Pressing business has been included on this Agenda; and additional new business will be addressed at the first meeting of the new year, which will be held on January 10, 2022.

An accounts payable list is provided to the City Council twice a month for approval of payments. If the December 27, 2021, meeting is canceled, payment of bills would be approved on December 13, 2021, and not again until January 10, 2022. The City Manager requests approval to pay bills that would normally fall on the accounts payable list for December 27, 2021, and incorporate them with the approval list for January 10, 2022, in order to avoid any late payments. The City follows a model where staff typically pay invoices after obtaining City Council authority.

It should be noted that City Offices will be closed on December 23, 2021, December 24, 2021, and December 31, 2021, in observance of the Christmas and New Year holidays.

The City Manager recommends the approval of the attached resolution. ([click here for additional information](#))

9. Resolution 2021-105 Authorizing the Release of Certain Executive Session Meeting Minutes and the Destruction of Certain Verbatim Recordings.

City Manager's Summary: This item concerns Executive Session minutes that have been approved by Council but not released. Executive Session minutes require review by Council on a bi-annual basis as provided for in 5 ILCS 120/2(c)(21), with the most recent review taking place on November 22, 2021. The recommendation for releasing or not releasing approved Executive Session minutes is indicated [here](#). All Executive Session minutes are on file and available for Council's review at any time.

Further, as provided for in 5 ILCS 120/2.06(c), this resolution authorizes the destruction of the verbatim records of Executive Session meetings on a date that is no less than 24 months after the City Council approves the meeting minutes and the destruction of the verbatim record for the executive session meeting.

City Council approval is recommended.

I. PUBLIC HEARINGS

1. Public Hearing: Proposed FY2022 Budget. [\(click here for the Public Hearing Notice\)](#)

City Manager's Summary: The FY2022 City Budget comprises 32 funds with projected revenues of \$108,510,518 against \$106,180,581 in expenditures. All City funds are balanced in the FY2022 Budget.

The planning and creation of the City's 2022 fiscal year budget has occurred as the City organization and DeKalb community recover from the economic, medical, and psychological impacts of the COVID-19 pandemic. The City government's recovery in 2021 was aided by timely and dramatic steps taken by the City Council as the pandemic exploded in 2020, as well as significant federal aid in the form of 2020 Cares Act funding and the 2021 American Rescue Plan, enacted on March 11, 2021. Specifically, on May 26, 2020 the Council amended the FY2020 City Budget to freeze hiring across city departments and impose other non-personnel cuts for a combined total of \$2,125,833 in General Fund savings (and \$261,000 in Water Fund savings), and on September 28, 2020 "scooped" the approximately \$1.9 million associated with the January 1, 2021 and July 1, 2021 debt service on four of the City's GO bonds payable from the General Fund and "tossed" them to 2028, 2029, and 2030 when the principal was sharply less. This resulted in a one-year hiatus in GO debt payments in 2021. Altogether, the aggregate savings of about \$4 million in General Fund spending and some additional constraint by department heads in operational spending resulted in a beginning General Fund balance on January 1, 2021 that was larger than the starting General Fund balance on January 1, 2020.

II. GENERAL FUND

Aside from the profound impact of the American Rescue Plan funding on general operational expenditures in FY2022 (see below), the City relies on a variety of "organic" revenue sources to fund the essential services that touch each resident and local business at some point in the fiscal year.

The proposed 2022 General Fund expenditure budget totals \$41,083,955. These expenditures are balanced by \$43,292,156 in anticipated General Fund revenues. The revenues and expenditures reflect pension contributions for Fire and Police passing through the General Fund. The projected General Fund operating reserve or starting fund balance as of January 1, 2022 is \$16,611,650 or 40.43% of the budgeted 2022 General Fund expenditures. The projected FY2022 year-end reserve balance is projected to be \$18,819,851 or 45.81% of the FY2022 General Fund expenses of \$41,083,955.

FY2022 GENERAL FUND REVENUES

1. FY2022 PROPERTY TAX LEVY AND PENSION OBLIGATIONS. The property tax is the most stable source of municipal revenues. What is levied is applied and generally distributed, assuming property owners pay their taxes. It is important to note the following, however:

- a) **None of the property taxes that the Council will levy in December 2021, payable in 2022, will be used for general operations.** In addition, the \$1,278,142 shortfall between the City’s levy and the actuarial obligations for 2022 will need to be drawn from other General Fund revenues or the General Fund reserve.

	2019 Actuarial Obligation	2019 Levy Funding	Difference*	% Difference
Fire Pension	\$3,920,907	\$3,322,914	\$597,993	15.25%
Police Pension	\$3,477,031	\$2,946,735	\$530,296	15.25%
Total	\$7,397,938	\$6,269,649	\$1,128,289	15.25%
	2020 Actuarial Obligation	2020 Levy Funding	Difference*	% Difference
Fire Pension	\$4,282,230	\$3,569,403	\$712,827	16.65%
Police Pension	\$3,614,881	\$2,953,053	\$661,828	18.31%
Total	\$7,897,111	\$6,522,456	\$1,374,655	17.41%
	2021 Actuarial Obligation	2021 Levy Funding	Difference*	% Difference
Fire Pension	\$4,415,632	\$3,720,878	\$694,415	15.73%
Police Pension	\$3,707,827	\$3,124,439	\$583,727	15.74%
Total	\$8,123,459	\$6,845,317	\$1,278,142	15.73%

In 2014 the City dedicated 10.4% of its General Fund revenues toward Fire and Police pension contributions. In 2022 about 20.23% of the projected General Fund expenditures will be dedicated to Fire and Police pension obligations.

- b) According to DeKalb Township and County assessment officials, the projected 2021 City levy, payable in 2022, will capture the following **new** assessed values:
 - **Recovered Central Area TIF:** In the 2020 Intergovernmental Agreement relating to tax increment financing districts in the City of DeKalb (dated November 15, 2020), the parties agreed that the last Central Area TIF annual surplus payment

pertained to tax year 2020, with the last annual surplus payment paid by the DeKalb County Collector in 2021.

- With the termination of the Central Area TIF, the “recovered” TIF value is treated the same as new property. The 2021 tax year (with taxes payable in 2022) is the first year that the recovered TIF increment can be taxed. Under the Property Tax Extension Limitation Law (PTELL), the amount of the extension (total taxes billed) for non-home rule taxing districts is limited to an inflationary increase on the value of existing property, plus an additional amount for new construction. The inflationary increase is limited to the lesser of 5 percent or the increase in the consumer price index for the year preceding the levy year. PTELL does not apply to home rule units of government such as the City of DeKalb, but the City Council has been very mindful of the impact of their levy decisions in recent years. **The “recovered TIF” value is estimated to be \$59,148,535.**
- **Ferrara Distribution Center:** (Parcel #08-35-300-012): Total 2021 EAV equals \$17,547,861 but \$44,165 of that EAV represents existing value. \$17,503,696 in new EAV times 0.50 (50% abatement) equals \$8,751,848 in abatement. The total EAV of \$17,547,861 minus the \$8,751,848 abatement equals the 2021 taxable EAV of \$8,796,013.
- **Ferrara Pack Center:** (Parcel #08-35-400-009): The total EAV of \$5,860,804 includes \$18,987 in existing value. The abatement will equal \$5,841,817 times 0.50 equal to \$2,920,908.50. The total EAV of \$5,860,804 minus the \$2,920,908.50 abatement equals the 2021 taxable EAV of \$2,939,895.50.

The combined taxable EAV for the Ferrara Distribution Center and Packaging Center in 2021 is \$11,735,908.50. At the expiration of the 15-year term for the Ferrara distribution and packaging centers, 100% of the EAV will be taxable.

- **Facebook:** Although the 500-acre development has been annexed and zoned “Planned Development – Industrial” since March of 2020, no principal buildings have yet been occupied so the “developer’s exemption” still applies for the land, which has not been farmed since the fall harvest of 2018. The occupancy of two outbuildings will add **\$1,675,499** to the City’s EAV.
- **Other:** An estimated **\$11,219,599.50** in additional EAV tied to new construction across all other residential, commercial, and industrial projects.

Total Estimated 2021 New Construction: \$83,779,542.

- c) The **2021 DeKalb Township multiplier is 1.0162.** The 2020 EAV of \$610,333,062 times the multiplier of 1.0162% = \$620,220,458.
- d) **The projected City-wide EAV for 2021 is \$704,000,000.**
- e) The 2021 City levy proposal under consideration by the City Council covers only the obligation for the Fire and Police pensions of \$6,845,317. If approved, the resulting **City tax rate of 0.97235** (\$6,845,317 divided by \$704,000,000) would be **9.01% lower** than the 2020 rate of 1.06868 per \$100 EAV.

The significant proposed drop in the City's tax rate, which should benefit all City taxpayers, is the responsible response to the one-time benefit of the "recovered" TIF increment.

However, the continuing heavy burden imposed on DeKalb and other Illinois municipalities by a rising "ramp" in Fire and Police pension obligations imposed by the state legislature in 2011 will remain a fiscal drain in the next levy year. According to the 2011 pension compromise, a closed amortization period was created that requires all pension funds to be 90% funded on the arbitrary date of 2040. This approach builds in increasing levels of contribution beyond annual increases owing to such actuarial factors as the number of lives covered, the wage levels at retirement, mortality, disability, etc. If funding ratios are low (the average state-wide is around 55%), the additional funds needed each year rise significantly the closer we get to 2040. As of January 1, 2022, the funding levels of DeKalb's Fire and Police Pension Funds are 40% and 50.2%, respectively.

This burden will continue until action downstate leads to reform of the actuarial cost method. Because of the COVID crisis, the two state-wide boards which are to handle the larger, consolidated investment pools to the advantage of local communities have not completed the consolidations anticipated by the Legislature in 2019. As a result, no relief in terms of reduced fund management costs has been realized. The City Manager is working collaboratively with the Illinois Municipal League and the Associated Fire Fighters of Illinois to press the state legislature and the recently-consolidated state pension boards toward an actuarial cost method that can be sustained over time.

2. NOTEWORTHY GENERAL FUND GRANT REVENUE IN FY2022.

- a) **SAFER Grant.** On August 31, 2021 – after the joint Council/FAC meeting of August 16 – the City of DeKalb received official notification that the Department of Homeland Security's Federal Emergency Management Agency had awarded the City of DeKalb a "Staffing for Adequate Fire and Emergency Response" (SAFER) federal grant in the amount of **\$2,721,256.47** to be allocated in three installments in 2021, 2022, and 2023. The City of DeKalb was one of only four entities in the country to receive the full, three-year grant allocation. Other communities received one and two-year allocations.

The City originally applied for this grant support in 2019, before the COVID crisis, to address the rising dilemma of a spike in Department call volume (especially EMS calls) and a minimum shift staffing level (13) that had not changed since the early 2000s. The City failed to secure FEMA grant support on the first attempt and re-applied at the height of the pandemic when Administration decisions to freeze unfilled positions had actually reduced the Department's authorized union firefighters from 53 to 48. The 4-year collective bargaining agreement approved by the Council and Firefighters Local 1236 in late December 2020 committed the City to a minimum shift strength of 16 by October 1, 2024. This contract was boldly entered as both the City and the Union were still facing serious economic uncertainty. It is easy to forget that COVID vaccination was just starting in December 2020, that there was no \$1.9 trillion American Rescue Plan (signed into

law on March 11, 2021), and the executive orders restraining commerce and hospitality businesses were still rigidly in place. The fundamental consideration was the fact that the DeKalb Fire department falls short of the staffing standard set by the National Fire Protection Association (NFPA) – the American fire profession’s standard-setting body. The NFPA standard is 4 personnel on each fire company: one driver/engineer, two firefighters for task work, and one officer (supervisor). The DeKalb department regularly runs only two persons per engine on the assumption that the two firefighter/paramedics assigned to the accompanying ambulance will provide adequate personnel to suppress a fire and perform essential tasks (e.g., search and rescue, hose deployment, ventilation, etc.). This strategy is undone when either the ambulance is committed to an EMS call at the time of the fire or, upon arriving at the scene, one or more injured persons require paramedic attention. The arriving engine company is then left with just two personnel to operate the fire engine until mutual aid companies or recalled firefighters arrive, which can take up to 30 minutes. The NFPA standard is echoed in the applicable OSHA “Two-in, Two Out” rule. Because of the deficiency in staffing, the Fire Department was forced to recall firefighters every day on overtime. Such backfilling led to annual Department overtime costs of \$1.156 million in 2020, up from \$365,334 in 2017.

The 2021-2024 contract offers a gradual, long-term path to remedy the staffing shortage, and the SAFER grant was intended to provide the necessary funding for the nine (9) additional firefighters needed to reach the new minimum staffing threshold. With the award of the SAFER grant, the City had to commit to the hiring the new 9 firefighter/paramedics in the 180 days. To date, three new hires have committed, and another is likely to commit. As with the 2021 federal ARP monies and the 2020 Coronavirus Relief Funds (CRF), rigorous reporting will be required.

The SAFER funding will free up ARP funding (the new Fund 110) for the kinds of community advocacy intended by the Congress. Specifically, the City will be able to dedicate more investment in the Qualified Census Tracts targeted by the U.S. Treasury. Further discussion and decisions will be made by the Council respecting water, sewer, and road improvements in those areas in particular, as intended by the federal law. Future Council agendas will provide the public platform for those discussions and decisions.

- b) **ARP Transfers In.** The total City allocation under the American Rescue Plan is \$10,422,954. To date, the U.S. Treasury has transferred \$5,211,477 and the remaining balance likely will be received in April 2022. **Of the total \$10,422,954 the City is eligible to reimburse the General Fund in the amount of \$6,091,589:** this includes \$4,254,304 to offset FY2020 revenue losses and COVID-related OT costs, plus \$1,837,285 to offset COVID-related FY2021 personnel costs in the period March 3 – May 31, 2021.

The balance of ARP monies (\$4,331,365) will eventually pass through the ARP Fund (Fund 110) for broader community purposes as Treasury funding is received. To date, of that estimated \$4,331,365 the Council has already committed \$1,000,000 to the Water Fund for the replacement of lead service lines; \$241,644 to the Kishwaukee Water Reclamation District which is a qualified “non-entitlement unit” that suffered significant losses owing to the COVID pandemic in 2020 with

the sharp decline in NIU service (July 26); \$1,185,000 for the purchase of the Hunter Hillcrest property (August 26), and \$500,000 in “Developmental Services” which can be used for the demolition of Hunter Hillcrest, the relocation of Hunter Hillcrest tenants, and other AGN purposes (July 12). This leaves a balance of \$1,404,721 in as-yet-uncommitted ARP funds.

In summary, a total of \$4,331,365 in ARP monies has been committed for broader community purposes as Treasury funding is received in April 2022. A provisional breakdown of the targets for this funding, as presently envisioned by the City Council, is as follows:

- \$1,185,000 for the purchase of the Hunter Hillcrest property (the closing occurred on October 18, 2021);
- \$500,000 in “Developmental Services” for the demolition of the Hunter Hillcrest property, and the relocation of the Hunter Hillcrest tenants;
- \$1,000,000 to assist homeowners in replacing lead water service lines to their homes;
- KWRD: \$241,644;
- Uncommitted: \$1,404,721.

3. SALES AND USE TAXES. In FY2022 we expect a 4.2% increase in sales and use taxes overall, as compared with the amended FY2021 Budget, with the following detailed breakdown:

- States Sales Tax. The Illinois Department of Revenue collects a 6.25% tax on the sale of general merchandise and distributes 1% to the municipality where the sale occurred and 0.25% to DeKalb County. On the basis of numbers for only the first nine months of 2021, it is projected that the 1% tax revenue will be \$5,824,413, **up \$211,093 (+3.76%)** from the FY2021 Budget of \$5,613,320.
- Home Rule Sales Tax: The City imposes a 1.75% home rule sales tax on sales of general merchandise (except food, drugs, or licensed personal property such as vehicles). This is also collected by the state and remitted to the City about 3 months after the sale occurs. On the basis of numbers for only the first five months of 2021, it is projected that the home rule tax revenue will **increase \$245,518 (+3.6%)** from the FY2021 Budget of \$6,818,432.
- Local Use Tax: Use taxes are imposed by the State of Illinois at the rate of 6.5% on the privilege of using personal property purchased anywhere at retail, including online purchases. This revenue is collected by the state and forwarded to municipalities on a per capita basis (about \$39.36 per capita in 2022). Statewide, during 2020 and the first half of 2021, the local use tax outperformed estimates as many people chose to shop on-line rather than in stores. It is possible that we will see a **decrease of \$164,358 (-9.4%)** over the FY2021 budget of \$1,750,000 as customers return to brick-and-mortar retail, and in consideration of the loss of per capita revenue owing to the decline in DeKalb’s population from \$44,095 to 40,290 in the national 2020 Decennial Census.

- Hotel/Motel Tax: The City imposes a 7.5% tax on hotel/motel room rents. Based on FY2021 numbers to date, the City's hospitality sector has rebounded strongly since the winter of 2020-2021. The estimated revenue for FY2021 is \$307,886, an **increase of \$71,906 (+30.5%)** as compared to the amended 2021 Budget of \$235,980.
- Restaurant/Bar Tax: The City collects a 2% tax on prepared food and beverages and packaged liquor sales. This tax is collected at the local level. The projected budget of \$1,953,382, an **increase of \$313,506 (+19.12%)** as compared with the FY2021 budget of \$1,639,876. The increase reflects the resilience and determination of many small restaurant and bar owners in the City.

Total: \$16,735,273 (+4.22%)

4. GROSS RECEIPTS TAXES. These include the City's utility tax on electric usage (which is variable, based on kilowatt hour consumption) and gas usage (at 4 cents per therm), plus a telecommunications tax (6% of the gross retail charge), and a franchise tax. The telecommunications and franchise tax revenues have been declining as residents and businesses "cut the cord."

FY2021: \$3,507,593

FY2022: \$3,627,072

Total: +\$119,479 or +3.4%

5. INTERGOVERNMENTAL REVENUES. This category makes up 14.22% of the projected FY2022 General Fund revenues. The strongest source within this category is the City's per capita share of state income tax revenue. The FY2021 Budget relied upon an IML estimate of about \$100.31 per capita, or \$4,423,080. This was a very conservative estimate, based on continuing high unemployment in DeKalb County in early 2021 (about 8%). The FY2022 estimate is \$126.82 per capita.

FY2021: \$5,123,514

FY2022: \$6,243,539

Total: +\$1,120,025 or +21.86%

6. LICENSES & PERMITS. In this category, the City has seen an immediate benefit from the Ferrara and Facebook projects, which have raised the total of permit fees. The multi-phase Facebook project continues to raise the annual level of plan review and inspection fees. The recent commitment of Project Barb has also contributed to this trend.

FY2021: \$872,133

FY2022: \$973,847

Total: +\$101,714 or +11.66%

7. SERVICE CHARGES. This category includes the NIU fire service contractual fees, plan review fees, and one of the fastest rising sources of general revenue – ambulance service fees. Such fees have significantly increased in recent years because of an increasing reliance on Fire department paramedics to handle concerns previously brought to a family physician, but at a lower cost. In FY2021, additional support for our

ambulance services was received from the state's GEMT program, which provides supplemental revenue to close the gap between what the City can charge for Medicaid patients and the actual service cost. In FY2022, a new GEMT Fund (Fund 130) will be created from a GF transfer of GEMT funds. Aside from the replacement fire engine purchased from the Capital Equipment Replacement Fund (Fund 420), a second deferred replacement fire engine will be purchased from Fund 130, which is expected to receive approximately \$900,000 to \$1,000,000 in GEMT funds annually going forward.

FY2021: \$4,565,456
FY2022: \$4,034,851
Total: -\$530,605 or -11.6%*

*Reflects the one-time transfer of GEMT funds to Fund 130

8. FINES. This category includes court fines, parking fines, and administrative tow fines. A decline is expected as unemployment cuts into the ability of persons to pay such costs.

FY2021: \$506,393
FY2022: \$471,815
Total: -\$34,578 or -6.83%

9. OTHER INCOME. This category includes investment interest; the City's share of the annual TIF surplus; and various refunds and reimbursements. In FY2022, according to the terms of a new intergovernmental agreement with the member governments of the DeKalb Joint Review Board, the sales tax increment from TIF #1 (\$262,789.27) was surplus in the same manner and proportion as the most recent distribution by the County Collector.

FY2021: \$1,054,481
FY2022: \$927,090
Total: -\$127,391 or -12.08%

10. TRANSFERS IN. In FY2022, as explained in the narrative above, two significant Federal-sourced grants (ARP: \$1,837,285 and SAFER: \$851,566) will substantially expand this revenue category.

FY2021: \$2,273,496
FY2022: \$3,433,351
Total: +\$1,159,855 or +51.01%

THE PROJECTED YEAR-END 2022 GENERAL FUND REVENUES ARE \$43,292,156.

FY2022 GENERAL FUND EXPENDITURES

General Fund operating expenditures are balanced by general revenues. Personnel expenses inclusive of salaries and wages, FICA, Medicare, pension, and benefit costs

account for 76.76% of the overall FY2022 General Fund budget. The FY2021 City Budget contained 187 full-time positions and 35 part-time positions (total: 204.5 Full-Time Equivalents or FTEs). This was the lowest staffing level the City had seen since FY2013, but during the COVID pandemic it was the staffing level that the community could afford in an extraordinary period of revenue constraints.

The Proposed FY2022 General Fund Budget contains 18 additional full-time staff positions but 3 fewer part-time staff positions as compared with the FY2021 Budget. Of the 18 new full-time employees, 10 would fill positions in Fire, Police and Public Works that were frozen in 2020. These staff increases, after two years of dramatic staff rescissions, represent the shared commitment of the Administration and the Mayor and Council to provide adequate front-line personnel to meet the expanding requirements of our residents and businesses. Primarily bargaining-unit positions will increase as the community rebounds from the COVID recession with unique and substantial support from the federal government. Overall, the FY2022 General Fund Budget contains 205 full-time positions and 32 part-time positions (total: 221 Full-Time Equivalents or FTEs), slightly less than the total in 2018.

The following table depicts the full-time and part-time staffing of the City's operating departments:

STAFFING PLAN

	2018		2019		2020		2021		2022	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
City Manager's Office	6	2	6	1	5	1	5	1	5	1
Human Resources Department	2	3	2	1	2	1	1	2	2	2
Finance Department	7	2	6	2	5	2	5	0	6	0
Information Technology Department	4	0	4	0	3	1	3	1	3	1
Police Department	80	15	80	14	80	16	81	19	84	10
Fire Department	58	2	57	1	57	0	54	1	62	1
Public Works Department	36	19	34	18	33	18	31	11	35	17
Community Development	8	6	8	6	7	1	7	0	8	0
Total	201	49	197	43	192	40	187	35	205	32
FTE	225.5		218.5		212		204.5		221	

Other significant General Fund expenditures include the following:

- Tax Sharing Agreements: \$1,717,956
- Debt Service (Library): \$495,000
- Software Maintenance: \$369,765
- Vehicle Fuel: \$281,366
- Legal Services: \$185,000

THE PROJECTED YEAR-END 2022 GENERAL FUND EXPENDITURES ARE \$41,083,955.

CAPITAL PROGRAM OVERVIEW

1. Fund 210: Motor Fuel Tax Fund. The State of Illinois shares a monthly per capita allocation with municipalities based on gasoline purchases. The number of gallons pumped rather than the price of gas is the determining factor. These funds are principally restricted to street and bridge maintenance and related costs but can be used for salt purchases and

also to defray the City's electrical charges for street lighting. In recent years the City has been stockpiling its MFT allotment for the Lucinda Avenue and First Street bridge repair projects which will occur in FY22 and FY23 at a cost of approximately \$1.5 million. The following noteworthy projects will be funded in FY2022:

- Design costs and daily construction oversight associated with the two simultaneous bridge projects (\$425,000); the annual street maintenance program (\$175,000); substantial work on the Peace and Fairview intersection reconstruction and Peace Road corridor (\$170,000).
- Additional Street Maintenance paving costs (beyond the \$1.2 million in Fund 400) focusing on the Knolls subdivision (\$1,000,000) and scattered site improvements.
- The local match for the Fairview Path, Phase 2 (\$100,000).

2. Fund 400: Capital Projects Fund. The principal source of revenue for this fund is a local tax on motor fuel purchases. Lesser sources include sales of surplus property and transfers from the General Fund. No General Fund transfer is proposed for FY2022.

On November 25, 2019, the City Council raised the City's local fuel tax rate from 5.5 cents per gallon to 9.5 cents per gallon (\$0.055 to \$0.095). Currently, roads get 7 cents per gallon, the Airport gets 1.5 cents per gallon, and vehicles (Fund 420) get 1 cent per gallon. The 19-cent increase in the State motor fuel tax that took effect in 2020 generated an additional MFT revenue but the COVID impact on travelling dampened this revenue stream during the first half of 2021.

An average annual street maintenance budget to maintain a pavement condition index (PCI) at a rating above 70 on all City roads would require about \$3.7 million per year. The annual war chest for street maintenance is now about \$2,200,000 in combined Fund 210 (State MFT) and Fund 400 (Local MFT) monies. Other street-related costs such as sidewalk repairs, alley improvements, and construction engineering also have a modest fiscal floor under them. This is a significant increase from the roughly \$750,000 spent in FY2017.

Fund 400 is also the City's only recurring source of general capital dollars. Targeted expenditures other than street maintenance in FY2022 include the following:

- Barb City Manor grant obligation (\$50,000): On June 24, 2019, the Council and the Barb City Manor Board agreed to a 10-year agreement that commits the City to an annual grant of \$50,000 to support major capital improvements to the city-owned complex.
- Technology (\$200,000). Multiple allocations for IT purposes include \$50,000 per year for body cam film storage and indexing; wireless enhancements downtown (\$25,000) as the IL Rt. 38 reconfiguration begins; and various upgrades for file storage, PC replacements, etc.
- License Plate Readers (\$29,173). Mayor Cohen Barnes, Police Chief David Byrd, Acting Northern Illinois University Police Chief Darren Mitchell, local social justice advocates, members of our local faith community, leaders in the AGN neighborhood, Greek fraternity members, and City and NIU officials met at the New Hope Missionary Baptist Church during the evening of September 8 to discuss how local law enforcement and our

community might come together to address a lawless condition that drains local resources and creates anxiety and frustration for residents who dearly want to be treated justly and in a welcoming manner as they work and live in DeKalb. Specifically, the shared concern was about persons who come to town, often to escape arrest or accountability for mischief in other places and reside somewhat anonymously while preying on others.

One technological option that was mentioned at that meeting to help the Police address this relatively small number of persons with disproportionately negative impacts on safety in our community is the use of license plate readers (LPR). These are sophisticated cameras specifically aimed to take photos of vehicle license plates as they travel on City streets. The cameras can be mounted on light poles and other infrastructure to take pictures of license plates as they pass and immediately check a database that can flag a stolen car, or a suspect wanted in a significant crime. Such technology can also identify suspect vehicles leaving the scene of an in-progress call.

On October 11, 2021, the City Council voted to proceed with the trial implementation of such technology, keeping in mind the need to resist “profiling” or scanning of drivers who are simply traveling through City streets for lawful work or pleasure.

3. Fund 420: Capital Equipment Replacement Fund. For FY2022, the City Manager has proposed a mix of leases and outright purchases to maintain both a sound operating balance and to limit the debt exposure from capital leasing. Complicating the purchase of vehicles in FY2022 is the extraordinary supply chain delays affecting vehicle sales nation-wide. The highlighted FY2022 expenditures are as follows:

- New Outright Vehicle Purchases for two (2) Fire SUVs (\$75,000 with upfitting), and one (1) Public Works pickup (\$40,000).
- New Leases: Five (5) additional leases for 4 marked Police Explorers and 1 full-size Public Works dump truck (\$71,815 in additional annual principal and interest).
- A Replacement fire engine: \$800,000 (supported by a GF transfer).
- Equipment: Public Works Leaf Machine. Outright purchase of \$40,000.

The foregoing budget highlights are excerpted from the much more detailed fund, department, and program budgets presented in the complete FY2022 Budget document.

J. CONSIDERATIONS

1. Consideration of a Report from Stantec about Transit Center Needs and Options for Location.

City Manager's Summary: This brief report will summarize staff work with the Stantec consulting firm over the past several months.

As Marcus Cox, Transit Manager, writes in his attached memorandum, at the regular City Council meeting of August 23, 2021, the Council approved Resolution 2021-074 authorizing a professional services agreement with Stantec Architecture, Inc. (Stantec), for site selection services on behalf of a new transit maintenance and operations facility in the City of DeKalb.

On October 5 and 6, representatives from Stantec were in DeKalb at the City's Public Works Department to meet with various City and Transdev staff to begin the programming needs phase of the project. Stantec representatives from Arlington, VA and Minneapolis, MN led discussions with City and Transdev staff to better understand the administrative, operational, and maintenance needs of the existing service along with the anticipated future needs of the system. This included the number of transit personnel within each department and the recommended square footage for interior and exterior areas of the facility based upon industry standards.

In early November, Stantec submitted a draft version of the Space Needs Programming Report to the city for review. The Space Needs Report identified the total interior and exterior square footage that would be adequate for today's service with the potential to expand the facility to meet the needs of service operations projected to 2045. Based upon Stantec's recommendations, the "Right Sized" transit maintenance and operations facility for the city's public transit system includes 139,000 square feet of indoor administration, operations, maintenance, utility, and fleet storage space for 50 vehicles. The exterior portion of the space would include 102,000 square feet for employee parking, visitor parking, and training space for new and existing employees. Between the interior and exterior space needs, the facility would require 241,275 square feet of space, not including site circulation, landscaping, and stormwater management areas which, when included, creates a grand total of 482,550 square feet of space – approximately 11 acres of land.

Draft Site Selection Matrix. Building on the Draft Space Needs Report that details the anticipated size of the transit maintenance and operations facility, Stantec and city staff began working on the draft Site Selection Matrix. The draft Site Selection Matrix will be used to assess relative advantages and disadvantages of the three sites selected for analysis with each site receiving a score resulting from multiple criteria accounting for both objective professional review and subjective community priorities.

The city's draft Site Selection Matrix is categorized into four areas: Operations, Acquisition, Developability, and Feasibility. Each category includes 4-6 criteria. Examples include location within the service area, impacts to adjacent developments, users, and occupants, development cost, and access to utilities. The City is responsible for assigning a subjective priority weight, classified as high (3), medium (2), or low (1), to each of the various 19 criteria within the matrix. For each of the 19 criteria, the priority weighting classification determined by the City will then be multiplied with the Stantec score, provided during their professional objective analysis of the site, which when summed determines a site's final total.

The matrix will be reviewed with the **Site Selection Committee** (further detailed in the attached background) with the intention of returning to the City Council in January 2022 with an update that details a completed Site Selection Matrix with corresponding priority weighting.

Site Selection Committee. The Site Selection Committee is comprised of five community representatives and two city staff members:

- Ellingsworth Webb, Property Manager for Eden's Garden Apartments

- Steve Irving, Owner of Irving Construction
- Jennifer Groce, Director of Community Promotion at Northern Illinois University
- Matt Duffy, Executive Director at DeKalb Chamber of Commerce
- Tracy Smith, Third Ward Alderman at City of DeKalb; Operations Manager at Voluntary Action Center of Northern Illinois

City Engineer, Zac Gill, and Transit Manager, Marcus Cox, will co-chair the committee. The Committee members will be tasked with review of the Site Selection Matrix to include comments and input regarding the existing criteria and if additional consideration should be given to other criteria not yet identified. It is expected that the committee will meet 4 to 5 times within the next 30 to 45 days to finalize the Site Selection Matrix and return to the Council for further discussion on this topic. ([click here for additional information](#))

2. Consideration of the City’s Public Transit Fares.

City Manager’s Summary: On March 18, 2020, the City of DeKalb Public Transit System suspended fares on all fixed route and paratransit services due to the COVID-19 pandemic. The removal of fares reduced the exchange of money and thereby enhanced safety for both passengers and transit service employees. In addition, the suspension of fares eased financial burdens for frontline workers and community members who rely upon public transit to get to critical jobs, grocery stores, and health care facilities. The City’s “fare free” initiative was common across the nation through much of 2020 while transit agencies developed plans to maintain the safety of all public transit users during the coronavirus pandemic.

At the July 12, 2021, City Council meeting, the Council considered whether or not to reinstate fares. At the close of that public discussion, the Council directed staff to maintain a fare-free public transit system through the remainder of 2021.

In the summer of 2020, some Illinois public transit agencies reimplemented fares but most maintained a fare-free status. With the vaccination rollout in place and underway, most urban systems within the state have returned to fare collection. The table below illustrates this fact:

Transit Agency	Fares Suspended	Fares Reinstated
Decatur, IL	March 2020	Still Operating Fare Free
Moline, IL	March 2020	7/6/2020
Peoria, IL	March 2020	1/4/2021
Danville, IL	March 2020	1/4/2021
Springfield, IL	March 2020	3/15/2021
Rockford, IL	March 2020	5/30/2021
Bloomington, IL	March 2020	6/1/2021
Kankakee, IL	March 2020	7/1/2021
Champaign, IL	March 2020	8/15/2021

Apart from Decatur, all other urban transit systems within the state have reinstated fare collection on their fixed route and paratransit services. Decatur has considered

incorporating a new fare collection box on their transit vehicles and intends to return to fares after a decision is made about a new farebox.

By the Numbers. The City of DeKalb Public Transit System operates 11 fixed routes, 1 deviated fixed route, and 1 commuter shuttle throughout and beyond the DeKalb Urbanized Area. The 11 fixed routes operate on the campus of Northern Illinois University and throughout the DeKalb area including Sycamore Road and around the industrial-zoned areas on the south side of DeKalb. The deviated fixed route operates in and around Sycamore while the one commuter shuttle travels to and from the Metra Station in Elburn. Of these 13 routes, 6 do not collect or require fares for any members of the public. These 6 routes are the routes that operate primarily on the NIU campus and are short, express-style routes. The remaining 7 buses do require fares, and are the routes that operate to southern DeKalb, Sycamore Road, the Elburn Metra Station, and Sycamore.

The City’s fixed route bus fare is one of the cheapest in the state. One-way trips for general public passengers cost only fifty cents. Senior citizens, individuals with disabilities, and K-12 students pay a reduced fare of twenty-five cents while Northern Illinois University students and children under the age of 5 ride all fixed route buses free of charge. A portion of NIU student tuition is devoted to public transportation, and the university uses that portion of the tuition to fund the annual transit contribution as agreed upon in the intergovernmental agreement between the City and NIU.

The table that follows provides a summary of fixed route and paratransit fare structures throughout the State at all other urban transit systems:

<i>Transit Agency</i>	<i>Fixed Route Adult Fare</i>	<i>Paratransit Fare</i>
DeKalb	\$0.50	\$1.00
Champaign/Urbana	\$1.00	\$2.00
Danville	\$1.00	\$2.00
Decatur	\$1.00	\$2.00
Moline	\$1.00	\$2.00
Peoria	\$1.00	\$2.00
Bloomington/Normal	\$1.25	\$1.25
Springfield	\$1.25	\$2.50
Rockford	\$1.50	\$3.00

In 2019, the City collected \$55,437 in fare revenue from the fixed route system. Based upon fixed route data for the period January 1, 2021, to November 29, 2021, the city’s fixed route system generated approximately \$25,000 in fares while the paratransit service generated approximately \$60,000 within the same time frame for a combined estimated total of \$85,000. As the DeKalb community and NIU continue to establish a “new normal” of regular personal interaction, the anticipated fare revenue is expected to increase in 2022.

The revenue collected from fares represented approximately 2% of the total annual revenue in 2019. As the Council is aware, the City has been able to keep fares low because of the fact that most of the system’s operating revenue comes from state and

federal grants, plus the transit contribution received annually from NIU according to the City/NIU intergovernmental agreement.

When considering both the fixed route and paratransit services, a return to fare collection is likely to yield \$100,000+ in annual fare revenue in a more stable operating environment in 2022. As fare revenue is not an allowable form of local match for the State’s Downstate Operating Assistance Program (DOAP) grant or the Federal Transit Administration Urbanized Area (Formula 5307) grant, fares have typically been used for one-off purchases including the procurement of a replacement transit staff vehicle in February 2020, along with smaller purchases for advertising, auditing, and public outreach purposes. As the City moves ahead with the space needs programming and site selection decision-making outlined in the previous Consideration on this Agenda, revenue received from fares could be dedicated toward current and future costs including engineering and architectural design.

With covid mitigation efforts including vaccination gaining slow but steady acceptance, **the City Manager requests authorization to return to fare collection on all fixed route and paratransit services effective Tuesday, January 18, 2022.** ([click here for additional information](#))

K. RESOLUTIONS

- 1. Resolution 2021-106 Authorizing a Two-Year Purchasing Agreement with Petroleum Traders Corporation for the Purchase of Vehicle Fuel for the Period of January 1, 2022, to December 31, 2023.**

City Manager’s Summary: Fuel for City vehicles is currently purchased by the Public Works Department and used by all City departments as well as the Voluntary Action Center (VAC), Children’s Learning Center (CLC), and the DeKalb Park District. The City’s Fixed Route Transit System is also party to the fuel contract, which helps in soliciting an annual volume discount.

Recently, a bid invitation was published and two vendors responded: Petroleum Traders Corporation of Ft. Wayne, Indiana and Mansfield Oil of Gainesville, Georgia. Fuel bids are made up of the vendor’s price plus a floating price determined by the Oil Price Information Service (OPIS). The table below shows the floating price, vendor’s price and total price. The total price includes delivery. Petroleum Traders Corporation submitted the lowest bid and provided the requested bond.

	Gasoline	Diesel	Diesel (Winter Blend)	Off Road (Red Dyed)	Bio- Diesel 2%
OPIS	2.3545	2.404	2.404	2.409	2.3655
Petroleum Traders Corp.					
Year 1 Delivery per Gal.	0.026	0.039	0.039	0.039	0.0834
Year 2 Delivery per Gal.	0.026	0.039	0.039	0.039	0.0834
Total per Gal.	2.3805	2.443	2.443	2.448	2.4489
Mansfield Oil					
Year 1 Delivery per Gal.	0.0928	0.086	0.0985	0.096	0.1351
Year 2 Delivery per Gal.	0.0928	0.086	0.0985	0.096	0.1351
	2.4473	2.49	2.5025	2.505	2.5006

City Council approval of the bid from Petroleum Traders is recommended. ([click here for additional information](#))

2. **Resolution 2021-107 Authorizing a Purchase Agreement with Midwest Salt Company for the Purchase of Water Conditioning Bulk Softener Salt for a Period of One Year from January 1, 2022, through December 31, 2022, for the Purpose of Treating the City's Drinking Water.**

City Manager's Summary: Water conditioning rock salt is used for softening the City's potable water supply to ensure compliance with state and federal drinking water standards. It is a purer form of salt than regular road salt and is specifically designed for the treatment of drinking water.

On November 12, 2021, the City of DeKalb released a Request for Bids (RFB) for bulk softener salt. The Water Department also submitted the bid documents directly to seven different salt suppliers (Midwest Salt, Chicago Salt Company, Compass Mineral, Cargill, Morton Salt, Northern American Salt and Saltco); however, the only bid received was from Midwest Salt. Morton Salt did respond but explained that the company currently did not have the supply capacity to meet the City's needs. The City annually uses about 1,450 tons. In 2021, Midwest Salt has provided their product at the rate of \$110 per ton. Their bid for 2022 is \$132.50 per ton, which will likely result in an increase of about \$33,000 during the next fiscal year.

The shortage of firms processing and marketing this brand of rock salt has been known for several years. The City Manager recommends a one-year contract as we search for other options in the new year at a more stable price.

Council approval is recommended. ([click here for additional information](#))

3. **Resolution 2021-108 Authorizing a Fuel Supply/Branding Agreement with Ascent Aviation Group, Inc. for Aviation Fuels and Services to the DeKalb Taylor Municipal Airport from January 1, 2022, through December 31, 2024.**

City Manager's Summary: Airport Manager Renee Riani released an aviation fuel branding Request for Proposals (RFP) on Tuesday, October 12. In addition to releasing the RFP to the public, Ms. Riani contacted five major fuel suppliers in the region. By the bid deadline of Friday, October 29, three proposals were received from Epic Aviation Fuels, Titan Aviation Fuels, and Ascent Aviation Group, Inc./World Fuel Services.

DeKalb Airport purchases two types of aviation fuels for resale to the local and regional aviation community, JetA and 100LL aviation gasoline. Purchasing aviation fuel through the competitive bidding process typically invites both a price per gallon and a willingness to consider a variety of branding incentives that are offered by airline fuel companies, affecting the final price.

Ascent Aviation Group offered the most competitive fuel prices because of the company's large network of flight department users in Illinois, history of timely delivery, lower credit card and processing fees, and line service staff training and support.

The Airport Advisory Board (AAB) recommends the approval of Ascent Aviation Group, Inc. as the supplier of branded aviation fuels and services for DeKalb Airport. During FY2020, the Airport sold 63,243 gallons of 100LL AvGas and 73,645 gallons of JetA fuel which resulted in approximately \$103,000 in net revenue. Fuel sale revenues are assigned to budget line item 650-00-00-34500 Fuel Sales; expenditures for fuel purchased for resale are tracked in line item 650-00-00-55100 Airport Fuel. The Airport Division estimates approximately \$182,256 in net income from aviation fuel sales by the end of FY2021.

City Council approval is recommended. ([click here for additional information](#))

4. Resolution 2021-109 Approving a Collective Bargaining Agreement Between the City of DeKalb and Council 31 of the American Federation of State, County and Municipal Employees Union Local #813 from January 1, 2022, through December 31, 2024.

City Manager's Summary: The current contract between the City and AFSCME Local #813 expires on December 31, 2021. During the last year of the previous contract which extended from January 1, 2017 through December 31, 2020 the profound impact of the COVID-19 pandemic on staffing and expected City operating revenues was concerning alike to the members of AFSCME Local #813 and the City management. From April of 2020 through December of 2020, Local #813's executive committee was involved in ongoing, joint discussions with the City Manager as well as FOP Lodge and IAFF Local 1236 regarding the fiscal impacts of the pandemic. As a result, a one-year labor agreement was agreed between the City and Local #813 on December 14, 2020 which had the following basic features:

- A one-year term so the parties could mutually assess the long-term impact of the COVID pandemic;
- No increase in wages; and
- No increase in health insurance contributions.

Negotiations on a successor contract were begun in late September, 2021 and resulted in a tentative agreement on the following terms for a contract extension:

- A three-year term (from January 1, 2022 through December 31, 2024).
- Effective January 1, 2022 a pay increase of 2.5%.
- Effective January 1, 2023 a pay increase of 2.5%.
- Effective January 1, 2024 a pay increase of 2.5%.
- A Memorandum of Understanding that commits the Union and the City to collaborate with other City bargaining groups and staff in a review of fully insured health care products. The goal is to identify the most competitive benefits at more affordable pricing for current employees and retirees. A similar investigation in the spring of 2021 with the assistance of an independent brokerage firm (Stumm Insurance) resulted in a more competitive pricing of dental care with the same Plan features, but no change in the basic health plan offerings. The working group is to be constituted in January 2022 and its work presented by June 1, 2022.

- Some language revisions to clean up errors and redundancies that had compounded as they were handed forward from previous contracts.

The economics of the proposed contract are consistent with budgeted expenses for FY2022 and conservative in terms of fiscal projections for FY2023 and FY2024. The membership of Local #813 ratified the proposed Agreement on December 1.

City Council approval is recommended. ([click here for additional information](#))

L. ORDINANCES – SECOND READING

1. Ordinance 2021-044 Authorizing the 2021 Levy and 2022 Collection of Taxes in and for the Corporate and Municipal Purposes and Special Service Areas of the City of DeKalb for Fiscal Year 2022.

City Manager’s Summary: This ordinance was considered by the City Council on first reading on November 8 and tabled on second reading on November 22. It would establish a corporate levy of \$6,845,317 that includes \$3,720,878 to partially meet the City’s Fire pension obligations and \$3,124,439 to partially meet the City’s Police pension obligations. Based on a revised projection of the rate-setting City-wide EAV of \$704,000,000 this levy should result in a City tax rate of 0.97235%, a 9.01% decrease from the 2020 City rate of 1.06868%.

The City will not levy for its IMRF obligations, Social Security obligations, general corporate purposes, or the Library GO bond obligation. These obligations will be paid from other General Fund revenues – primarily sales and use taxes.

The City’s aggregate levy includes a pass-through amount (\$2,675,708) for DeKalb Public Library operations. This revised Library levy was voted at the DeKalb Library Board meeting on December 8. The revised aggregate 2021 City levy is displayed in the table below:

2021 Aggregate & Special Purpose Levies	2020 Tax Levy Extensions (\$)	2021 Tax Levy After Abatements (\$)	Increase / Decrease Over Prior Year’s Extension (\$)	Increase / Decrease Over Prior Year’s Extension (%)
Corporate	\$0	\$0	\$0	0.00%
IMRF	\$0	\$0	\$0	0.00%
Social Security	\$0	\$0	\$0	0.00%
Fire Pension	\$3,569,403	\$3,720,878	\$151,475	4.24%
Police Pension	\$2,953,053	\$3,124,439	\$171,386	5.8%
Public Library (pass-through)	\$2,366,378	\$2,675,317	\$309,330	13.07%
Total Aggregate & Special Purpose Levy	\$8,888,834	\$9,521,416	\$632,582	7.12%

In 2021, the City will also levy for six special service areas (SSA), a decrease of one as compared with the 2020 levy (the 924 Greenbrier water debt – SSA #28 – has been redeemed). SSA #29 was activated in April 2020 to fund road repairs in the Market Square Shopping Center. SSA #30 was activated in December 2020 to fund public

safety and security improvements at Hunter Ridgebrook. All other SSAs are levied at the same amounts as 2020 and are detailed in the following table:

2020 Estimated Tax Levy	2020 Tax Levy Extensions (\$)	2021 Tax Levy After Abatements (\$)	Increase / Decrease Over Prior Year's Extension (\$)	Increase / Decrease Over Prior Year's Extension (%)
<i>Special Service Area Levies</i>				
SSA #3 - Heritage Ridge	\$1,000	\$1,000	\$0	0.00%
SSA #4 - Knolls	\$5,501	\$5,500	\$0	0.00%
SSA #6 - Greek Row	\$16,400	\$15,500	\$0	-5.5%
SSA #14 - Heartland Fields	\$2,500	\$2,500	\$0	0.00%
SSA #28- 924 Greenbrier	\$8,704	\$0	-\$8,704	NA
SSA #29 - Market Square	\$200,000	\$50,000	-\$150,000	-75%
SSA #30 - Hunter Ridgebrook	\$100,000	\$50,000	-\$50,000	-50%
Total Special Service Area Levies	\$334,105	\$124,500	-\$209,605	-62.74%

The City is also required to levy for the principal and interest of bonds issued by the municipality. It is standard practice to abate all debt service levies immediately after their adoption, with the exception of debt related to the 2013 Library expansion project. **For the 2021 levy year, the debt service payment (\$490,875) for the Library debt will be paid from General Fund revenues, as in the 2020 levy year, in order to hold the City tax rate down.**

City Council approval on Second Reading is recommended. ([click here for additional information](#))

2. Ordinance 2021-045 Abating the 2021 Tax Levy for the Debt Service of the General Obligation Corporate Purpose Bonds of the City of DeKalb.

City Manager's Summary: This ordinance was also considered on first reading on November 8 and tabled on second reading on November 22. When a municipality issues bonds, a Bond Order is filed with the County Clerk that determines the amount to be levied each year until the bond is paid off. The City currently holds a number of bonds which automatically levy property taxes for the debt service. It has been the past practice of the City to use other revenue sources to pay for annual principal and interest payments. As a result, the City is able to abate the taxes levied for debt upon approval of the annual tax levy. Historically, the only debt payment that is not abated has been the principal and interest for the 2013 Library expansion project (\$490,875 in 2021). While this debt payment is actually wired to the fiduciary by the Library, the debt issuance is in the City's name and the City has historically levied these dollars and transferred an equal amount to the Library Fund. In 2021, as in 2020, the Library GO debt service will be levied and abated by the City. The City will transfer General Fund revenues other than property taxes to the City Library Fund and thence to the Library.

For the 2020 tax year, the General Fund's general obligation debt service levies were adjusted for one year by the Refunding Bond of 2020, approved by the Council on

September 28, 2020 (Ordinance 2020-063). **The 2020 Refunding Bond “scooped” the January 1, 2021, and July 1, 2021, debt service on four of the City’s GO bonds payable from the General Fund and “tossed” them to 2028, 2029, and 2030 when the principal was sharply less. This resulted in one fiscal-year hiatus in GO debt payments to digest the harsh fiscal impacts of the COVID-19 pandemic. In FY20022, the GO debt service returns.**

The outstanding bonds are identified below:

- **GO Refunding Bonds of 2010C.** In December 2010, the City issued \$5,415,000 of General Obligation Refunding Bonds to refinance prior debt at a lower interest cost. The original obligations were issued to finance storm sewer construction, road reconstruction, park land, and initial costs for the Police station.
- **GO Bonds of 2012A.** In October 2012, the City issued \$9,905,000 of G.O. Refunding Bonds for the purpose of construction of the new Police Station on West Lincoln Highway.
- **GO Bonds of 2013B.** In June 2013, the City issued \$2,380,000 of G.O. Bonds for the purpose of completing construction of the new Police Station.
- **GO Refunding Bonds of 2019.** In October 2019, the City issued \$3,925,000 of G.O. Refunding Bonds to refinance the 2010B bonds at a lower interest cost.
- **GO Refunding Bond of 2020.** On November 19, 2020, the City issued \$1,900,000 of GO Refunding Bonds. The debt impact of the Refunding Bond of 2020 based on the fiscal year is provided in the table below:

General Fund Supported Debt			
Fiscal Year	Principal	Interest	Aggregate
2020	\$1,380,000	\$371,532	\$1,751,532
2021	\$0	\$0	\$0
2022	\$1,535,000	\$318,291	\$1,853,291
2023	\$1,595,000	\$256,919	\$1,851,919
2024	\$1,650,000	\$212,841	\$1,862,841
2025	\$1,680,000	\$181,121	\$1,861,121
2026	\$1,715,000	\$148,782	\$1,863,782
2027	\$1,750,000	\$115,256	\$1,865,256
2028	\$1,375,000	\$83,244	\$1,458,244
2029	\$1,405,000	\$52,211	\$1,457,211
2030	\$1,440,000	\$18,000	\$1,458,000
Total	\$15,525,000	\$1,758,197	\$17,283,197

The table that follows portrays the GO Bond debt service that will be abated in levy year 2021:

Collection Year		2021		2022	
Debt Service Payments Included		7/1/21 & 1/1/22 6/1/21 & 12/1/21		7/1/22 & 1/1/23	
		2020 Levy Year		2021 Levy Year	
Series	Fund	Levy	Abatement	Levy	Abatement
2010A	TIF	\$1,190,800.00	100%	\$0.00	100%
2010C	General Fund	\$795,545.00	100%	\$683,055.00	100%
2012A	General Fund	\$65,340.63	100%	\$895,681.26	100%
2013A	Library Levy in 2019 General Fund in 2020	\$490,625.00	100%	\$490,875.00	100%
2013B	General Fund	\$756,175.00	100%	\$0.00	100%
2014	Water/Airport Funds	\$0.00	-	\$0.00	-
2019	General Fund	\$70,535.50	100%	\$255,434.00	100%
2020	General Fund	\$23,055.00	100%	\$46,110.00	100%

The TIF General Obligation Refunding Bonds of 2010A have now been retired. The last year of debt service (2021) on the 12-year amortization schedule will be paid from TIF #1 before the TIF #1 termination on December 31, 2021.

City Council approval on Second Reading is recommended. ([click here for additional information](#))

M. ORDINANCES – FIRST READING

- 1. Ordinance 2021-051 Adopting the Annual Budget of the City of DeKalb, Illinois for the Fiscal Year Beginning January 1, 2022 and Ending December 31, 2022.**

City Manager’s Summary: In the Public Hearing portion of this Agenda, the reader can view the most salient features of the City’s annual fiscal year budget for FY2022. The first public presentation of the key assumptions behind the FY2022 City Budget occurred at the joint meeting of the Council and Finance Advisory Committee (FAC) on August 16, 2021. With the guidance from that meeting, the City Manager and City staff prepared detailed department-level spending projections for a more extensive FAC discussion on October 18 which failed for lack of a quorum. The complete FY2022 Budget document was reviewed in a joint meeting of the Council and FAC on November 15. The document which has been posted for public viewing contains the minor revisions recommended in that joint meeting.

The FY2022 City Budget comprises 32 funds with projected revenues of \$108,510,518 covering \$106,180,581 in expenditures. All City funds are balanced and supported by appropriate reserves.

City Council approval is recommended on first and second reading. The last day to file the FY2022 Annual Budget and 2021 Property Tax Levy with the County is Tuesday, December 28, 2021. ([click here for additional information](#))

2. Ordinance 2021-052 Approving a Development Agreement with DeKalb Taylor Solar, LLC.

City Manager's Summary: On October 11, the City Council considered a proposal from SunVest Solar, LLC of Geneva, Illinois to develop a solar farm on a 48-acre parcel within the DeKalb Taylor Municipal Airport properties. Bill French, the regional director of project development for SunVest Solar, presented the following business terms for the development of the 48 acres:

- Development Period. The "Development Period" begins on the effective date of the lease and extends until December 31, 2023 or the Date of Operation, whichever is sooner. This two-year period may be extended for an additional year at the mutual agreement of the Parties. During the Development Period, the Developer will be responsible for all due diligence costs including environmental assessments, drainage studies, glare studies required by the Federal Aviation Administration, and any state or federal permitting.
- Construction and Placement. SunVest will construct a 5 megawatt (MW) solar farm which converts solar energy into electrical energy and transmits the electrical energy so converted to the regional energy grid. The solar panels will be installed on single-axis tracker racking systems supported on galvanized steel beams that are pile-driven 8-10 feet in the ground. The panels will be oriented east-west, with rows stretching from north to south. Access will be from a private drive from E. Pleasant Street. A seven-foot-high deer fence is proposed for the perimeter of the parcel. A 50-foot setback will separate the panels from the nearest property to the west, and a minimum setback of 50 feet will parallel E. Pleasant Street.
- Operating Term. Once all due diligence processes and permits have been successfully accomplished, the Operating Term shall begin no longer than one year from the City's issuance of a building permit.
- Operating Lease. The Operating lease will extend for 25 years from the date of construction completion. The Company may, at its option, extend the operating lease for one additional ten-year period.
- Compensation:
 - During the "Development Period" as the due diligence is accomplished, the City will receive a payment of \$3,000 per year.
 - During the one-year Construction Period, the Company will pay the City a "crop damage" payment of \$300 per acre.
 - Operating Term Rent: Once the solar farm is in operation, the Company will pay the City an initial rent of \$1,800 per acre, with an annual escalator of 2%. In Year One, the rent will be \$86,400. Over 25 years of operation, it is estimated that the rental income will total about \$2,767,000.
- Decommissioning. At the Council's request, a more detailed section (Section 4.4) has been added. At the end of the agreed operating term, the Company shall remove

all of its solar facilities including any foundations and restore the portions of the lease space that had been used for the solar farm to usable farmland or substantially the same condition as that which existed before the solar construction (e.g. drainage swales, etc.). If the Company should fail to remove the facilities, the City would have the right to remove them and be reimbursed by the Company within 30 days of an invoice from the City.

The DeKalb Project will be known as “DeKalb Taylor Solar, LLC”.

City Council approval of the attached land lease and solar easement with DeKalb Taylor Solar, LLC is recommended. ([click here for additional information](#))

N. REPORTS AND COMMUNICATIONS

1. Council Member Reports.
2. City Manager Report.

O. EXECUTIVE SESSION

None.

P. ADJOURNMENT

[REGULAR AGENDA PACKET – DECEMBER 13, 2021](#)