

**MINUTES
JOINT REVIEW BOARD MEETING
JUNE 26, 2020**

The Joint Review Board (JRB) of the City of DeKalb, Illinois convened on June 26, 2020 at 1:00 p.m. at the DeKalb Police Department, located at 700 W. Lincoln Highway, DeKalb, Illinois.

A. CALL TO ORDER

City of DeKalb City Manager Bill Nicklas called the meeting to order at 1:00 p.m.

B. ROLL CALL

City of DeKalb Executive Assistant Ruth Scott called the roll and the following members of the JRB were present:

City of DeKalb – Bill Nicklas*
DeKalb Community Unit School District #428 – Cindy Carpenter* (Remote)
DeKalb County – Gary Hanson* (Remote)
DeKalb Park District – Amy Doll*
DeKalb Township – Jennifer Jeep-Johnson*
Kishwaukee College #523 – Bob Johnson*
DeKalb Township Road and Bridge District – Craig Smith
Kishwaukee Water Reclamation District – Mark Eddington (Remote)

The following members of the JRB were absent:

DeKalb Public Library – Emily Faulkner
DeKalb County Forest Preserve – Terry Hannan

MOTION

Ms. Jeep-Johnson moved to appoint JRB Member Amy Doll as temporary Chair; seconded by Mr. Smith.

VOTE

Motion carried by a 6-0 roll call vote of those voting members present. Aye: Nicklas, Carpenter, Hanson, Doll, Jeep-Johnson, Johnson. Nay: None.

MOTION

City Manager Nicklas moved to amend the agenda by moving Item G., Presentation of the Forensic Audit by the Auditing Firm of Ernst & Young, to just after Item D., Public Participation; seconded by Mr. Johnson.

VOTE

Motion carried by a 6-0 roll call vote of those voting members present. Aye: Nicklas, Carpenter, Hanson, Doll, Jeep-Johnson, Johnson. Nay: None.

*Indicates Voting Members

C. APPROVAL OF MINUTES

1. Minutes of the Joint Review Board Meeting of January 24, 2020.

MOTION

Mr. Smith moved to approve the minutes of January 24, 2020; seconded by Ms. Jeep-Johnson.

VOTE

Motion carried by a 6-0 roll call vote of those voting members present. Aye: Nicklas, Carpenter, Hanson, Doll, Jeep-Johnson, Johnson. Nay: None.

D. PUBLIC PARTICIPATION

Mark Charvat and Bessie Chronopoulos both spoke regarding their concerns over the past Tax Increment Financing (TIF) process.

Ms. Doll read comments into the record from Misty Haji-Sheikh and Derek Van Buer regarding their concerns over the past TIF process.

G. PRESENTATION OF THE FORENSIC AUDIT BY THE AUDITING FIRM OF ERNST & YOUNG

Michael Stavridis of Ernst & Young reviewed the principal findings of the audit. The key findings of his team were as follows:

- In the period 2009-2018, the City of DeKalb used an excessive amount of TIF funds to defray the administrative costs assigned to the City's operating budget. The auditors found \$7,895,027 was transferred from the City's TIF 1 and TIF 2 funds, combined, in this period. The TIF Act states that after July 1, 1999, annual administrative costs "shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan".
- From 2011 through 2018, the City's surplus distributions to other taxing bodies according to the terms of the 2007 intergovernmental agreement (IGA) exceeded the 50% threshold for incremental property taxes by \$1,948,436.
- For most of the test period (2009-2018), the City had no clearly articulated guidelines for the range of documents required for payouts or for permanent records of project transactions.
- The City "should consider obtaining advice" as to whether the guidance it has received from the Illinois Department of Revenue and a former city attorney regarding surplus distributions of sales tax incremental revenue is accurate.

Following Mr. Stavridis' report, a lengthy discussion ensued regarding forgivable loans.

Mr. Nicklas suggested that JRB members forward him a list of questions, which he will address at the next meeting.

Ms. Doll stated that a list of proposed, current, and/or completed TIF projects and their status would be helpful.

Mr. Hanson, Ms. Carpenter, and Mr. Smith all stated that they represent a larger number of taxpayers than just the city of DeKalb.

Discussion ensued.

E. PRESENTATION OF FIRST QUARTER FY2020 TIF FINANCIALS

Mr. Nicklas Bill provided information regarding revenues and expenditures for TIF 1 and TIF 3 from January 1, 2020 through March 31, 2020, as well as administration TIF timesheets for that same timeframe.

Brief discussion ensued.

F. UPDATE ON TIF PROJECTS

Mr. Nicklas provided an overview of ongoing TIF projects, including the Egyptian Theatre, Plaza DeKalb, Agora Tower, the properties at 206 E. Lincoln Highway and 260 E. Lincoln Highway, and 421 Grove Street. He also provided information regarding recent revised parameters for project awards.

H. NEXT MEETING: JULY 24, 2020, 1:00 P.M.

The next meeting of the JRB is scheduled for July 24, 2020 at 1:00 p.m. All present indicated they would be available to meet on that date at that time.

J. ADJOURNMENT

MOTION

Ms. Jeep-Johnson moved to adjourn the meeting; seconded by Mr. Smith.

VOTE

Motion carried by a 6-0 roll call vote of those voting members present. Aye: Nicklas, Carpenter, Hanson, Doll, Jeep-Johnson, Johnson. Nay: None. The meeting was adjourned at 2:47 p.m.

Respectfully submitted,

RUTH A. SCOTT, Executive Assistant

Minutes approved by the Joint Review Board: July 31, 2020.