

**MINUTES
DEKALB CITY COUNCIL MEETING
SPECIAL JOINT MEETING OF THE CITY COUNCIL
AND FINANCE ADVISORY COMMITTEE
NOVEMBER 18, 2019**

The City Council of DeKalb, Illinois held a Special Meeting jointly with the Finance Advisory Committee on November 18, 2019, in the City Council Chambers of the DeKalb Municipal Building, 200 South Fourth Street, DeKalb, Illinois.

A. CALL TO ORDER AND ROLL CALL

Mayor Smith called the meeting to order at 6 p.m.

City Clerk Lynn Fazekas called the roll for City Council and the following members were present: Alderman Carolyn Morris, Alderman Bill Finucane, Alderman Tracy Smith, Alderman Greg Perkins, Alderman Scott McAdams, Alderman Tony Faivre, and Mayor Jerry Smith.

Alderman Mike Verbic was absent.

City Clerk Fazekas called the roll for the Finance Advisory Committee and the following members were present: Mike Peddle, Bob Higginson, Lynne Neeley, Ron Partch, Sheelah Prahlad, and Tom Tereskinski.

Staff members present included City Manager Bill Nicklas, Assistant City Manager Ray Munch, Streets & Facilities Director Andy Raih, and Principal Planner Dan Olson.

B. PUBLIC PARTICIPATION

Mark Charvat welcomed the new Fourth Ward alderman. Mr. Charvat said he wants to cut “frivolous” items from the budget, such as car allowances, and is against downtown business owners getting snow removal services from the City. He said he’d also like to see the 1.5 cents from the local motor fuel tax (MFT) taken from airport revenues and put toward streets instead, and he remarked that the Special Service Area (SSA) figures seemed a little high.

C. CONSIDERATION OF THE PROPOSED FY2020 BUDGET

City Manager Nicklas began with details of the General Fund spending, including:

- Discretionary spending is flat.
- Consolidation of police & fire pension funds will reduce overhead a little.

- Explanation that the transfer from the Water Fund is a Payment in Lieu of Taxes (PILOT).

Council and FAC then discussed a proposed jump in the transfer from Refuse Fund to General Fund and what it means. The city manager explained the staff proposal is to use the 9% administrative fee to help counter costs arising from increases in ambulance service calls.

A review of the Legislative Fund led to a question of legislative salaries not adding up. The city manager explained that 5% of the salaries are allocated to the Water Fund. City Manager Nicklas also explained how the legislative allocation to the DeKalb Municipal Band was first dropped by \$10,000 but that Council restored \$5,000 of the funding and he is recommending it stay at that level of \$43,000. A question about a decrease in dues and subscriptions was explained as the dropping of membership in Metro West Council.

The group then discussed the City Manager's Office budget. The city manager said there will be one fewer employee budgeted for than in 2019, with reallocations for the eliminated management analyst and the city manager's salary reduction going toward Human Resources and Community Development. There was a question about divisions (HR, IT, etc.) being listed as separate departments; the city manager confirmed they are not (each remaining under supervision of the city manager or assistant city manager) but the enterprise resource planning (ERP) software treats them as such.

Information Technology (IT) projects were discussed, including new TV equipment for when the City begins holding meetings at the library. A question was asked about credit card processing fees; the assistant city manager explained policy was switched from the City absorbing these fees to customers paying them, which he said has not reduced credit card usage at all; instead, usage is growing.

The group next looked at Police, Fire, and Public Works departments and divisions. Highlights included:

- Anticipation of further adjustments to the Police organizational chart.
- Note of the numbers of property maintenance issues taxing the Fire Department.
- New leadership and reorganization of Public works.
- An increase in the forestry budget, most of which will involve maintenance of parkway trees.
- A combining of two part-time inspection positions into one full-time building inspector.

There was significant discussion of the airport, its needs and its deficits. A planned transfer of \$51,000 from General Fund to airport reflects a reduction in its operating deficit, the city manager said. He also explained that runway expansion has not yet led to provision of services for sports teams and freight operations because the runways, while large enough for the purpose, still require reinforcement to bear the weight. The city manager also detailed additional steps needed, including runway resurfacing and installation of lighting and animal barriers, and bringing more users into the corporate hangars.

Mayor Smith called a five-minute recess at 7:18 p.m. and recalled attendees at 7:25 p.m.

Following the break, City Manager Nicklas reviewed the Transportation Fund, saying the City is building a balance because of anticipated future costs, including a larger transit facility and replacement of the rolling stock of buses, for which the City will need to meet local shares of state and federal grants.

The group then looked at the state-level Motor Fuel Tax Fund (MFT). The city manager said paying for the electricity for street lights, and for road salt, are approved uses for the fund. When it comes to capital projects out of this fund, these will include an upgrade of Twombly Road and a sidewalk on the north side of Twombly from Annie Glidden Road to Rosenow Drive, he said.

Responding to the earlier public comment about balances remaining in the Special Service Area (SSA) funds, City Manager Nicklas explained that accumulations beyond what is needed for mowing common areas in the SSAs can help with additional maintenance and repairs, for example if a curb crumbles or a tree falls.

The group received updates on the tax increment financing (TIF) funds, including:

- TIF District 2 has been terminated.
- TIF District 1 will close in 2 years (at the end of 2021).
- The line item "Other Capital Projects" in TIF 1, with a projected cost of \$1,000,000, will be allocated for the airport.
- 2020 annual City budget will include the first budget of the new TIF District 3.

News shared about Community Development Block Grant (CDBG) included the following:

- Funds this year were used for lighting near Twin Tavern, because the properties surrounding Twin all qualify for CDBG grants, which go to low- and moderate-income neighborhoods.
- CDBG this year will be used in Annie Glidden North neighborhoods.

- The current 5-year CDBG plan is coming to a close, with a new plan proposal on the way; however, there will be some carryover of funds.

City Manager Nicklas told the group that the Housing Rehab Fund, a residual fund from an old (pre-CDBG) housing rehab program that is administered as a revolving loan fund, is close to being spent down entirely. When this happens, there will be no new money unless Council authorizes other funds to be transferred into it, he said.

The group finished its budget review with Debt Service and the issuance of refunding bonds in October. City Manager Nicklas said this reduced interest from 4.5% to 1.2%, and he reported that City debt breaks down to \$436 per resident.

D. ADJOURNMENT

MOTION

Mayor Smith asked for a motion to adjourn at 7:57 p.m. Alderman Finucane moved to adjourn. Alderman Faivre seconded.

VOTE

Motion carried on majority voice vote. Mayor Smith declared the Council meeting adjourned.

MOTION

Chair Peddle asked for a motion to adjourn at 7:57 p.m. FAC Member Neeley moved to adjourn the FAC meeting. FAC Member Partch seconded.

VOTE

Motion carried on majority voice vote. Chair Peddle declared the FAC meeting adjourned.

LYNN A. FAZEKAS, City Clerk

Approved by City Council: January 13, 2020.