

**MINUTES
CITY OF DEKALB
SPECIAL MEETING OF DEKALB CITY COUNCIL
AND FINANCE ADVISORY COMMITTEE
DECEMBER 4, 2018**

The City Council of DeKalb, Illinois held a special meeting with its Finance Advisory Committee on December 4, 2018, in the City Council Chambers of the DeKalb Municipal Building, 200 South Fourth Street, DeKalb, Illinois.

Mayor Smith called the meetings to order at 5:30 p.m.

A. ROLL CALL

City Clerk Lynn Fazekas called the roll of City Council and the following members were present: Alderman David Jacobson, Alderman Bill Finucane, Alderman Pat Fagan, Alderman Kate Noreiko, Alderman Mike Verbic, Alderman Tony Faivre, and Mayor Jerry Smith.

City Clerk Fazekas then called the roll of the Finance Advisory Committee and the following members were present: Bob Higgerson, Lynn Neeley, Steve Parker, Ron Partch, and Tom Teresinski.

Also present were: Interim City Manager Ray Munch and Acting Finance Director Bob Miller.

B. PUBLIC PARTICIPATION

Kurt Thurmaier commented that people don't want to pay for the services they get, such as for police and fire services, but that we shouldn't push off the pension bill on our children. He complimented Council for not caving to Tax Increment Financing (TIF) "extortion" because TIF is needed for infrastructure.

Will Heinisch passed out a handout that compared City of Dolton to City of DeKalb, listed balance-budgeting measures, and made recommendations for the future; he highlighted several of them during his time to speak.

Dwayne Brown said he was disappointed at the tax and fee increases being proposed, and for having a 2018 budget that has \$1.5 million deficit. He suggested implementing a hiring freeze and using attrition instead.

C. REVIEW OF THE PROPOSED FY2019 BUDGET

Interim City Manager Munch made a presentation that included an overview of the budget process/timeline for FY2019, the funding gap, and budget-balancing measures. He said he and the Acting Finance Director have continued to find the unexpected, both positive

and negative, in the FY2018 Budget, so it is difficult to determine how much in expenditures will be pushed forward into FY2019. Right now, it looks like \$887,000, he said. Elimination of positions is not in next year's budget, but staff have worked out how it would affect expenses to delay hiring of certain positions for three or six months. They've projected the revenues of an increased home rule sales tax, restaurant and bar tax (R&B), and enactment of a new amusement tax. Recommendation is to finalize the FY2019 Budget tonight, and to continue work to solve the long-term pension problem.

Mayor Smith outlined three broad options: reconsider and implement additional expenditure reductions; reconsider revenues; and consider using fund balance to eliminate the shortfall.

More specific areas discussed were as follows:

- How to account for the portion of the General Fund balance as of the end of 2017 that has since been assigned to the airport.
- Where the "found money" in the budget came from that has lowered the budget gap since the last discussion.
- Whether raising R&B tax and implementing an amusement tax would be desirable.
- What revenues besides property taxes, if any, should be used to fund pensions.
- Whether the City should discontinue funding of downtown sidewalk snow removal.

The group reconsidered its previous support for reducing the City's grant to DeKalb County Convention and Visitors Bureau (DCCVB) by \$10,000, as this would result in a reduction of DCCVB's state matching grant as well.

There was consensus developed for a hiring freeze, although decisions still needed to be made for how long it would last (six or 12 months) and whom it would affect (i.e., whether it would apply to first responders).

The group also decided it would be better to pass a budget without resolving all of the funding gap first, for the following reasons:

- No appropriations can be made in 2019 without an approved budget.
- The new City Manager should be involved in the ongoing budget decisions.
- The Finance Advisory Committee could continue to work on solutions into the 2019 budget year, because Council can amend the budget as needed.

D. ADJOURNMENT

MOTION

Alderman Jacobson moved to adjourn the Council meeting. Alderman Finucane seconded.

VOTE

Motion was approved by majority voice vote of the Council members present.

MOTION

Ron Partch moved to adjourn the Finance Advisory Committee meeting. Steve Parker seconded.

VOTE

Motion was approved by majority voice vote of the FAC members present.

Mayor Smith declared the Special Meeting adjourned at 7:48 p.m.

LYNN A. FAZEKAS, City Clerk

Approved by City Council: January 14, 2019.