



DEKALB CITY COUNCIL AGENDA
MAY 26, 2020
6:00 P.M.

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

REGULAR CITY COUNCIL MEETING

Please Note: On March 16, 2020, Illinois Governor JB Pritzker issued executive order 2020-07 which declared that during the duration of the Gubernatorial Disaster Proclamation pertaining to the coronavirus outbreak, “the provisions of the Open Meetings Act, 5 ILCS, requiring or relating to in-person attendance by members of a public body are suspended. Specifically, (1) the requirement in 5 ILCS 120/2.01 that ‘members of a public body must be physically present’ is suspended; and (2) the conditions in 5 ILCS 120/7 limiting when remote participation is permitted are suspended.” The executive order further states that when a public meeting is considered necessary by the governing body, “public bodies are encouraged to provide video, audio, and/or telephonic access to meetings to ensure members of the public may monitor the meeting, and to update their websites and social media feeds to keep the public fully apprised of any modifications to their meeting schedules or the format of their meetings due to COVID-19, as well as their activities relating to COVID-19.” The City of DeKalb has taken prudent steps to assure that virtual Council member attendance and public access are assured within the intent of the Governor’s executive order.

Citizens wishing to view the meeting from home or elsewhere can tune in to Channel 14 or by following the link provided [here](#).

Accommodations have been made for citizens to comment on a topic listed on the agenda (or a topic not listed on the agenda) by clicking on the link provided [here](#). Comments will be read by the Mayor at the appropriate time during the meeting.

A. CALL TO ORDER AND ROLL CALL

Memorial Day 2020 - Armed Forces Medley.

B. PLEDGE OF ALLEGIANCE

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.

C. APPROVAL OF THE AGENDA

D. PUBLIC PARTICIPATION

E. PRESENTATIONS

1. **Service Award: Raymond Munch, Assistant City Manager.**
2. **Service Award: John Petragallo, Interim Police Chief.**

F. APPOINTMENTS

None.

G. CONSENT AGENDA

1. [Minutes of the Committee of the Whole Meeting of May 11, 2020.](#)
2. [Minutes of the Regular City Council Meeting of May 11, 2020.](#)
3. [Accounts Payable and Payroll through May 26, 2020 in the Amount of \\$1,961,573.62.](#)
4. [Investment and Bank Balance Summary through March 2020.](#)
5. [Year-to-Date Revenues and Expenditures through March 2020.](#)
6. [Freedom of Information Act \(FOIA\) Report – April 2020.](#)
7. [2020 Schedule of Meetings Amendment.](#)
8. **Hospitality Recovery Program Update.** The attached [Dashboard](#) tracks the restaurant/bar and hotel/motel tax revenues based on the most recent City revenue postings.
9. [Resolution 2020-039](#) **Approving the Regulation of Traffic for the Purpose of Holding the Annual DeKalb Corn Festival on Illinois Route 38 Between First Street and Fourth Street Beginning Thursday, August 27, 2020 at 4:00 p.m., through Sunday, August 30, 2020 at 10:00 p.m.**
10. [Resolution 2020-040](#) **Authorizing a Special Event Agreement with DeKalb Corn Fest, Inc. and Approving a Public Entity/Non-Profit (PENP) Special Event Liquor License for the 2020 Corn Fest.**

H. PUBLIC HEARINGS

1. Public Hearing Regarding the Rebuild Illinois Capital Assistance Grant Application for a Transit Operation, Maintenance and Transfer Facility within the DeKalb Urbanized Area.

City Manager's Summary: The City of DeKalb's transit staff intends to submit an application to the Illinois Department of Transportation (IDOT) to request \$5,000,000 in capital assistance for the development and construction of a Transit Maintenance, Operations, and Transfer facility. According to the IDOT Capital Grants Program, a Public Hearing is required to obtain comment and input from the public regarding the project.

On August 12, 2019, the Council approved an intergovernmental agreement (IGA) between the City and the State of Illinois to work together to fund and build a new transit facility that can better serve the consolidated and expanded transit system that has been operating since January 2, 2019. That IGA committed the City to draw down funds in its name from the State of Illinois in the amount of \$150,000 to be used as a local match for the architectural and engineering design funding. This \$150,000, and a \$600,000 Federal Transit Administration (FTA) grant, provide \$750,000 for the preliminary design work. The City's application for \$5,000,000 from state sources for the actual development and construction work is pending. Before any development ensues, the Council will have the opportunity to vote on options for the location of the transit facility as well as the general design criteria from options prepared by the consulting architectural firm and presented by the City staff. ([Click here for Public Hearing Notice](#))

I. CONSIDERATIONS

1. Consideration of New Protocols for the City's Tax Increment Financing (TIF) Program.

City Manager's Summary: In the recent discussion of several applications for TIF assistance to rehabilitate properties in the City's downtown area, the Council has wrestled with the lack of an updated TIF-funding plan that can guide decisions on the most responsible parameters for City involvement in private property rehabilitation. This Consideration is intended to suggest some revised "protocols" in terms of TIF budget considerations as well as project-centered funding decisions.

TIF in Illinois

As federal revenue-sharing substantially declined in the mid-1970s as a result of a series of recession years following the "guns and butter" federal policies of the late Vietnam era, Illinois cities of all sizes scratched to pull together alternative revenue sources to promote economic development. Many, including DeKalb, tried to maintain economic development funds built on

surplus annual general revenue, but such funds were always prey to operational needs. Additionally, other local taxing bodies that might be the beneficiaries of long-term economic growth were not involved in building those grant and loan funds.

Chicago authorities identified tax increment financing (TIF) as a more reliable way to attract new private investment and pressed the Illinois legislature to enact legislation to permit the capture of tax revenues from cities and other local taxing bodies for that purpose. Since the State authorized the first TIF act in 1977, TIF has been controversial. In fact, the Act withstood a serious constitutional challenge that was resolved by the Illinois Supreme Court in 1982 (*City of Canton vs. Harlan Crouch*). Amendments to the original state legislation in the mid-1980s eliminated the ability of municipalities to recapture sales tax increment if their districts weren't created by January 1, 1987. DeKalb's TIF #1 was adopted in 1986. In May 2007, through an intergovernmental agreement with local taxing bodies, the City of DeKalb agreed to "surplus" one-half of the annual property tax increment to those taxing bodies, providing the City could extend the life of TIF #1 beyond the original closure date of December 31, 2009.

The premise has always been that any annual TIF program will increase the property tax base – not the property tax rate – in a defined geographical area. The statutory method for creating a TIF is defined in the bullet points below:

- The City – preferably in consultation with other local taxing bodies – identifies an area or areas that have not been subject to growth in EAV, often because of deteriorating private property maintenance, but also obsolescence in terms of City infrastructure, zoning, etc. "But for" some public initiative to conserve and expand property values, it is likely that the deterioration will continue.
- The City drafts a plan of action, identifying in detail the specific parcels that show various "blighting" influences. In this process, neighborhood and city-wide audiences are consulted in informal and formal public meetings. The draft TIF Redevelopment Plan is presented for review to a Joint Review Board (JRB) consisting of representatives of other local taxing bodies identified in state statute. In DeKalb, the public members of the JRB that can vote are the City of DeKalb, DeKalb County, DeKalb Community Unit School District #428, DeKalb Park District, DeKalb Township, DeKalb Township Road & Bridge District, and Kishwaukee College.
- After a non-binding review by the JRB and a public hearing on the TIF Redevelopment Plan, the Council has the authority to approve and implement the plan, which typically has a life of 23 years. TIF districts can be terminated sooner by Council action. For example, in February the City Manager floated the idea of ending TIF #1 in 2021 instead of 2022, returning all of the TIF #1 incremental revenue to the other taxing bodies one year early, as an alternative to a TIF #3 surplus agreement. After consultation with the JRB on

February 15 and April 26, 2019 and following discussions at the board level of our local taxing bodies, the JRB recommended the early termination on April 26. The City Council then unanimously approved a resolution (Resolution 2019-094) closing TIF #1 at the end of 2021 instead of FY2022.

How TIF Works

What is the TIF engine and how is it supposed to work?

- Once the redevelopment plan is enacted, the EAV of each parcel during the base year is determined. All local taxing bodies (including the City) continue to receive future property taxes at this valuation for the life of the TIF.
- As the EAV of the TIF parcels increases owing to redevelopment and re-assessment, the incremental tax value over and above what was owing in the base year is captured in the City's TIF fund, rather than distributed to individual taxing bodies according to their rate shares.
- The City manages the TIF fund(s), with periodic reporting to the Joint Review Board. By statute, the JRB must be convened at least once a year. Since January 2019, the DeKalb JRB meets quarterly.
- The City's management of the TIF fund is in trust; the City has a profound obligation to assure that the incremental tax dollars accruing from the incremental growth in EAV of parcels within the TIF district that would otherwise be captured by individual taxing bodies is spent on projects that will build further EAV growth. At the termination of the TIF district, the individual taxing bodies claim their "shares" of the increment on an annual basis, based upon their individual tax rates.

If managed as originally conceived by the Illinois legislature in the late 1970s, TIF invites private businesses and investors to create higher assessed valuations and associated tax revenues. These outcomes in turn can upgrade neighborhoods, churn further business investment and employment, improve vital infrastructure, and invite recurring private redevelopment.

It should be noted that TIF districts seldom get off to a running start because it takes some years of redevelopment to prompt higher assessments. The exception is the rare parcel that has been tax exempt and is then redeveloped, creating "pure" and substantial incremental revenue when fully assessed.

Snapshot of the DeKalb TIF Program

TIF #2 has been terminated. TIF #1 ends on December 31, 2021. The first incremental year of TIF #3 is 2019, which is to say TIF #3 increment for taxes levied in 2019 and payable in 2020 are slowly accruing in the City's Fund 262.

No new private rehab projects should be undertaken in the TIF #1 plan area unless they also fall within the TIF #3 plan area. TIF #3 is primarily a downtown TIF, and its roughly 280 parcels are also in TIF #1. Once TIF #1 is terminated, TIF funds cannot be “ported” to parcels that would be outside TIF #3. **Accordingly, for TIF planning purposes TIF #3 should be the focus for future private redevelopment projects.** In FY2021, aside from obligated surplus payments to other taxing bodies, TIF #1 spending is principally limited to debt service payments and public infrastructure projects. A map of TIF #3 can be found [here](#).

Proposed Criteria for Future TIF Assistance

At the City Council meeting of March 9, in the context of the initial Council consideration of TIF assistance for the remodeling of the former O’Leary’s restaurant, the City Manager presented a table that showed budgeted TIF commitments to date, as well as some potential private property rehab projects in FY2020 and FY2021. That chart has been updated and appears below:

TIF #3			
FY2020 TIF#3 Projects	Est. \$	FY2021 TIF#3 Projects	Est. \$
<i>Private Prop. Rehab Budget</i>	\$3,778,250	<i>Private Prop. Rehab Budget</i>	\$2,875,000
Plaza DeKalb	\$350,000	Plaza DeKalb	\$0
Egyptian	\$500,000	Egyptian	\$0
Agora Tower	\$1,625,000	Agora Tower	\$1,375,000
AIP Program	\$75,000	AIP Program	\$75,000
Former DeKalb Clinic Sewer Relocation	\$150,000	McCabe’s	?
Lovell Tire	\$142,091	Lord Stanley’s	?
Hometown Bar & Grill	\$150,000	E. Lincoln Highway	?
Balli	\$216,800	W. Linc: 1 st to Pearl	?
260 E. Lincoln Hwy	\$124,100	DeKalb Lawn & Equipment	?
200 S. Fourth	\$350,000	200 S. Fourth	\$550,000
263 E. Linc. Hwy (House)	?		
121 N. Second (Hillside)	?		
421 Grove	?		?
Project Total	\$3,661,241	Project Total	\$1,975,000
Available	\$95,259	Available	\$875,000
<i>Public Infrastructure</i>		<i>Public Infrastructure</i>	
IL Rt. 38 Downtown	\$500,000	IL Rt. 38 Downtown	\$1,500,000

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TIF #1			
FY2020 TIF#1 Projects	Est. \$	FY2021 TIF#1 Projects	Est. \$
Starting Balance	\$3,970,470	Starting Balance	\$1,507,600
Revenue	\$6,695,313	Revenue	\$6,961,255
<i>Total Resources</i>	\$10,665,783	<i>Total Resources</i>	\$8,468,855
Private Prop. Rehab.	\$0	Private Prop. Rehab.	\$0
50% Surplus	\$3,347,656	50% Surplus	\$3,455,562
Transfer to TIF #3	\$4,275,000	Transfer to TIF #3	\$2,425,000
Fire Station #1	\$0	Fire Station #1	\$150,000
DeKalb Airport TIP	\$250,000	DeKalb Airport TIP	\$500,000
Debt Service	\$1,195,000	Debt Service	\$1,190,800
Other	\$90,527	Other	\$50,000
<i>Total Expenditures</i>	\$9,158,183	<i>Total Expenditures</i>	\$7,771,362
Ending Balance	\$1,507,600	Ending Balance	\$697,493

The following protocols are offered for Council consideration before further TIF assistance is considered:

- a) Going forward, the Council makes TIF private property rehab awards according to the following criteria:
- The potential project’s impact on new EAV growth;
 - The annual capacity of the TIF program budgets;
 - The eligibility of the estimated costs for reimbursement under the state TIF Act and local protocols.

Each year, the Council-approved TIF program budget (soon to be only the TIF#3 budget) sets the general fiscal parameters for overall annual spending on private property rehab projects.

- b) Because the expected annual incremental property tax revenue in TIF#3 will initially be about 7%-8% of the current annual incremental property tax generated in TIF#1, the annual program should focus on several “capstone” projects that promise enhanced EAV as a result of any TIF assistance.
- c) To assure that there is an equal opportunity for access to such limited funds, an application period can be advertised at the beginning of each calendar year (e.g. January-February). A modest fund balance in private property rehab funding can be retained and not expended so the Council has the flexibility to later consider an unforeseen project that promises substantial EAV growth upon completion.

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- d) Projects that are essentially “fix-up” in nature can be addressed under the annual Architectural Improvement Program (AIP) program ([see attachment](#)). This program might be increased from \$50,000 per year to \$75,000 per year in the near term to accelerate ADA and aesthetic improvements in key downtown blocks within TIF#3. More attention might also be given to the downtown design guidelines that the Council considered several years ago.
- e) Every private property rehab project that is awarded TIF funding should “amortize” its obligation from enhanced property tax revenue within 20 years. Going forward, sales tax revenue remains important to the City’s general operating budget but should not be the basis on which the amortization is calculated.

The approach outlined above gets the Council away from torturous percentage awards and focuses instead on the premise behind such awards. This will hopefully ensure that the diminishing TIF program retains the resources to fund projects that will build the property tax base.

City Council direction is recommended.

J. RESOLUTIONS

1. **Resolution 2020-041 Authorizing the Submittal of a Rebuild Illinois Grant Application for a Public Transportation Capital Assistance Grant Under the Illinois Department of Transportation’s General Authority to Make Such Grants.**

City Manager’s Summary: As mentioned in the Public Hearing portion, City staff intend to submit a capital grant application to IDOT requesting \$5,000,000 to assist with the construction of a transit facility. If awarded, the \$5,000,000 will be used to assist with Part Two and Part Three of the City’s Request for Qualifications for Architectural, Engineering, and Construction Management Services originally issued in May 2019. Funds can also be used as a match for future Federal Transit Administration 5339b and BUILD grants.

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

2. **Resolution 2020-042 Authorizing the Issuance of a Request for Proposals for an ADA Complementary Paratransit and Deviated Flex Route Transit Service Provider.**

City Manager’s Summary: In accordance with Federal Transit Administration (FTA) requirements, the City must provide open competition and release a Request for Proposals (RFP) when the nature of the procurement does not lend itself to sealed bidding and the recipient expects that more than one source will be willing and able to submit an offer or proposal. City staff researched various

urban paratransit operations in partnership with the City's On-Call Transit Consultant, Bob Bourne, to create the RFP. This RFP includes three primary changes not included in previous paratransit RFP releases:

1. The proposer will not be required to provide the Local Match.
2. Paratransit fares for the General Public will be increased from \$1.00 to \$5.00. The increase is needed to ensure that the service is sustainable over time for those that most need the service such as senior citizens and individuals with disabilities.
3. Urban paratransit service funded by the City's budget will begin and end in the DeKalb Urbanized Area. Today, urban paratransit service operates in and around DeKalb County. ADA/FTA requirements stipulate that urban paratransit service can only be required to operate within three quarters of a mile of where a fixed route bus line operates. Reducing the service area to the DeKalb Urbanized Area will reduce lengthy, cross-county trips that will be more efficient within a smaller service area and more closely follows the standard service area for urban paratransit requirements while still exceeding ADA/FTA requirements. Rural paratransit services beyond the urbanized boundaries will continue to be served by the Voluntary Action Center (VAC) through their service agreement with DeKalb County.

Once proposals have been received and scored and after negotiations with the most responsible vendor, a full contract will be brought back to Council for its approval.

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

3. Resolution 2020-043 Authorizing an Amendment to the Transit Service Provider Agreement with Transdev Services, Inc.

City Manager's Summary: Since the initial agreement was entered on January 1, 2019, some operational and financial adjustments have occurred. This amendment captures all these adjustments for the record. This includes the removal of Route 8R due to redundancy in coverage area; the addition of the Route 12 to Elburn, and Route 19 to south DeKalb and Park 88. These adjustments impact both the monthly and fixed costs and ultimately increase the total cost of the contract by \$1,388,249.04 over the life of the five-year agreement for a total contract cost of \$21,612,810.04. This amendment also includes language related to the CARES Act funding recently received by the City, and what are considered eligible and reimbursable costs to Transdev along with the required documentation to complete the process.

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

4. Resolution 2020-044 Authorizing an Amendment to the Transit Service Provider Agreement with the Voluntary Action Center of DeKalb County.

City Manager's Summary: Similar to Transdev, since the initial contract agreement was entered in 2016, there have been substantial changes to the transit system that have impacted VAC operationally and financially with a majority of the changes occurring as a result of the transit consolidation on January 1, 2019. The amendment captures all relevant changes since the original agreement began on October 1, 2016. Like Transdev, the VAC amendment also includes language related to the CARES Act funding recently received by the City, and what are considered as eligible and reimbursable costs to VAC with such funds along with the required documentation to complete the process. Finally, due to challenges associated with COVID-19, City staff opted to delay the distribution of the RFP until now rather than move forward with the initial release at the end of March. The delay of the release of the RFP necessitates the need to request a contract extension with VAC through the remainder of 2020. The extension is necessary as the time between the release of the RFP and the conclusion of the current contract (September 30, 2020) do not provide enough time to complete the necessary competitive bid process as required by the FTA.

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

5. Resolution 2020-045 Concurring with the State of Illinois Department of Transportation in the Award of a Bid to William Charles Construction Co., LLC, d/b/a William Charles Electric, in the Amount of \$595,000 for Construction Services to Relocate and Replace the Existing NAVAID Units on Runway Ends 2, 20 and 27 (DKB-4556).

City Manager's Summary: On May 11, the Council approved an agreement with the engineering consulting firm of Crawford, Murphy & Tilly to provide project management for the replacement of the existing Visual Approach Slope Indicators (VASI units) on Runway ends 2, 20 and 27 with Precision Approach Path Indicators) (PAPI Units) in the amount of \$79,000. These units provide visual approach path guidance for pilots to safely navigate their aircraft on final approach to a safe touchdown at an appropriate distance down the runway, while avoiding obstacles within a prescribed safety zone. Also, there are power units and wind cones located within the Runway Object Free Area (ROFA).

The attached resolution concurs with the result of a bid process conducted by the Illinois Department of Transportation (IDOT) to award a contract to the sole bidder, William Charles Construction, for this work. The bid amount was \$595,000 of which the City's local share is 5%. Federal funds will pay for 90% of the project costs, and state funds will make up 5%. The City has adequate funding budgeted in the Airport Fund (650-00-00-83900) for the local share.

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

- 6. Resolution 2020-046 Authorizing the Waiver of Bids and the Award of a Contract to Curran Contracting Company in the Amount of \$875,625 for Street Resurfacing on Seventh Street, Macom Drive, and Normal Road, Including Various Other Minor Segments, with Staff Authority to Approve Change Orders Up to a Combined Project Total of \$875,625.**

City Manager's Summary: At the regular City Council meeting of April 27, the Council considered several options to shore up the Capital Projects Fund (Fund 400) reserve in light of an expected shortfall in local motor fuel funds due to the COVID-19 crisis. The City Manager was directed to negotiate a revised and lower budget price for the annual street maintenance program with the apparent low bidder, Curran Contracting Company, in the range of no more than \$1 million, as compared with the original scope and lowest bid price of \$1,573,617.

With the timely assistance of city engineer Zac Gill and the generous cooperation of Curran Contracting, a revised scope has been negotiated with a base contract of \$833,925 and a contingency allowance of 5% (\$41,700) to reach a maximum overall cost of \$875,625. The agreement contemplates street re-surfacing of 3.7 lane miles on Seventh Street, Macom Drive, and Normal Road, including various alley improvements and minor street patching.

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

- 7. Resolution 2020-047 Authorizing a Master Equity Lease Agreement with Enterprise FM (Fleet Management) Trust.**

City Manager's Summary: The City Manager and Assistant City Manager recommend a comprehensive lease agreement with Enterprise Fleet Management to better leverage our limited cash flow and replace a total of 15 vehicles in 2020 (13 leased, 2 purchased). By eliminating the large upfront capital outlay, the City will be better positioned to continue replacing vehicles in future years and preserve cash needed to fund more expensive fleet assets and other capital equipment.

Background

The City's asset management plan, drafted in 2017, identified the need to replace approximately \$1.5 million in fleet assets annually over five years to normalize our fleet replacement schedule. During the FY2020 budget process, the City staff emphasized the need to replace vehicles that have far exceeded their useful life. These vehicles have become costly to maintain and lack the fuel efficiency and safety features of newer vehicles. Great strides were made in budgeting for vehicle replacements in FY2020; the FY2020 budget included nine vehicle replacements. This budget was increased partly on the expectation

of new revenue from 1 cent of local motor fuel tax on every gallon pumped in DeKalb.

Although committed to a significant increase in fleet spending in November 2019, the Council and the Finance Advisory Committee were promised an investigation of fleet leasing options before major fleet purchases were made. The COVID-19 impact on vehicle travel and the likely reduction in local motor fuel tax proceeds reaching the City's Capital Equipment Replacement Fund (Fund 420) in FY2020 has accelerated the City staff investigation of leasing options, particularly in the light-to-medium truck categories where lease pricing is more aggressive.

The Enterprise Fleet Management Proposal

This item has been discussed at several public meetings, including the Committee of the Whole meetings on January 27 and May 11. In September 2019, our staff first met with a representative of Enterprise Fleet Management. Enterprise offers a fleet leasing model that has gained popularity with municipalities in recent years. This program utilizes an open-ended equity lease, which is different than the traditional closed-end leases that are offered by most automotive manufacturers. While a closed-end lease typically imposes restrictions on mileage, lease term, vehicle modifications, and maintenance, the Enterprise program does not. If the municipality chooses to replace the vehicle, the remaining equity in the vehicle is credited to a new lease, similar to trade-in value. Also, Enterprise assigns an account manager to the City who monitors all vehicles under lease and advises the City on opportunities to replace vehicles sooner, based on market conditions. Current Enterprise customers using this program include Crystal Lake, Geneva, Lisle, Freeport, and Round Lake Beach among others.

Enterprise is primarily focused on light-duty fleet vehicles, including sedans, SUVs, light-duty pickup trucks, and light-duty trucks outfitted with dump or service bodies. For the City's purposes, this would cover our Police fleet, some Public Works vehicles, administrative and light response vehicles in Fire, and any pool cars assigned to departments in City Hall. Vehicles leased through Enterprise can be modified to the City's specifications, including anything from emergency lighting to snowplows and spreaders on trucks.

Working with Enterprise, 18 vehicles were originally tagged to be replaced through this program; however, that number was reduced to 13 because of COVID-19 impacts on the City budget. The list of 13 vehicles can be found in "Attachment 1" and were highlighted at the May 11 Committee of the Whole meeting. In the attachment, a cash flow comparison is presented showing the cash purchase cost of the vehicles compared to the leasing cost of the vehicles in the first year. Enterprise allows its customers to lease the full cost of the vehicle, including aftermarket upgrades, which significantly reduces upfront costs. Some of the more expensive aftermarket upgrades do require a down

payment. Even with those down payments, the total cash flow savings against outright purchasing in FY2020 is substantial:

Fund	Budgeted (Purchase)		Proposed (Lease)	
	# of Vehicles	Expense	# of Vehicles*	Expense**
200	1	\$ 35,000	1	\$ 28,000
420	5	\$ 295,000	11	\$ 165,000
620	2	\$ 145,000	3	\$ 32,000
Total	8	\$ 475,000	15	\$ 180,000

* Includes two vehicles previously purchased in FY2020.
 ** Lease amounts for FY2020 based on estimated delivery dates.

Of the 13 vehicles listed on Attachment 1, three are allocated to the Water Capital Fund (620) and the other 10 are allocated to the Capital Equipment Replacement Fund (420). Adequate amounts exist in both funds for FY2020. Funding for future fiscal years will need to be included in those budgets. It is important to note that the City does not begin paying for a vehicle until the month after we take delivery. Based on model year order deadlines and current factory production, many of the vehicles on this list may not be received until the fourth quarter of 2020, so the budget impact this year is diminished.

All 13 vehicles are priced on a five-year lease term. At the end of that five-year term, Enterprise account managers will work with City staff to determine the remaining equity in each vehicle. The remaining equity in the vehicle can be rolled into the lease of a replacement vehicle, or the City could continue to pay down the remaining equity and retain ownership once the equity is paid to \$0. Enterprise account managers will examine each vehicle lease at least annually to find potential cost savings. Some municipalities have replaced vehicles before the five-year term is up because the remaining equity in the existing vehicle was so high in years 2-5 that it made sense to “flip” the vehicle early.

Regional Vendors

The City maintains membership with Sourcewell (formerly National Joint Powers Alliance), which is a national joint purchasing cooperative. Sourcewell conducts national RFP processes for the procurement of goods and services on behalf of its members. Enterprise Fleet Management currently holds the Sourcewell contract (#060618-EFM) for fleet management services.

The Assistant City Manager contacted two additional companies that offer fleet leasing services and spoke with company representatives; however, neither company pursued business with the City as they do not maintain local operations. Enterprise, based in Oak Brook, Illinois, is the primary fleet leasing provider for government in our region.

Recommendation

Specific vehicle specifications and pricing are being finalized and reviewed by City staff. The total not-to-exceed cost for the 13 vehicles listed on Attachment 1 over the full five-year term of the leases is \$665,000, which includes an additional 2.5% to account for minor changes that may be necessary as specifications are finalized.

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

8. Resolution 2020-048 Authorizing the Purchase of One Dump Truck through Rush Truck Center Based on the State Bid Contract Price in an Amount Not to Exceed \$148,054.

City Manager's Summary: The Enterprise leasing program described in the previous agenda item does not include heavy duty vehicles such as the large dump truck contemplated here. Staff is requesting authorization to purchase one new single axle dump truck through Rush Truck Center. Rush currently holds the State Bid Contract for vehicles of this type. The City has historically used State Purchasing to secure maximum discounts on bid pricing.

The City's fleet of front-line dump trucks used for snow removal and other heavy-duty applications is quickly deteriorating. The Street Division currently maintains a fleet of 17 heavy-duty dump trucks; however, two of those units are non-operational and are currently being scrapped for parts. The average age of a City dump truck is currently 16 years, with 10 units being more than 15 years old. As a point of reference, the last time the City purchased a front-line heavy-duty dump truck for the Street Division was 2014. That unit is one of only two purchased in the last 10 years.

The current State bid pricing for 2020 will expire on May 31, 2020. Vehicles of this nature often have long lead times of 8-12 months from the time of order to delivery. With truck manufacturing currently on hold due to COVID-19, delivery of this vehicle would likely not occur until 2021.

The new vehicle would be utilized by the Street Division for street operations and repairs (snow plowing, leaf collection, etc.). The total purchase price of \$148,054 includes accessories and equipment such as a plow package. The vehicle would replace a 1999 International dump truck (P30-1) that is in very poor condition.

Recommendation

The approved FY2020 Budget included \$150,000 in the Capital Equipment Replacement Fund (420) under line item 420-00-00-87000 for the purchase of this truck. The total purchase price through Rush Truck Center, including equipment, is \$148,054 or \$1,946 below the budgeted amount.

The City Manager's recommendation is two-fold:

- a. Order the heavy-duty dump truck to secure the current bid pricing before the May 31 deadline.**
- b. Pursue a lease option for the actual purchase.**

The City staff have obtained financing quotes from three vendors for tax-exempt lease financing of this vehicle. The City could finance this purchase over a five-year term, which would improve cash flow in Fund 420 for other budgeted and unanticipated expenditures. To date, the lowest quoted rate is 2.75%. That equates to \$10,927 over the five-year financing term. The City could also bundle a lease financing deal for the ambulance currently on order with this dump truck and achieve an even lower rate of 2.60%. Execution of a lease financing agreement will come at a subsequent Council meeting.

City Council approval to proceed with the order before May 31 and to secure lease financing is recommended. ([Click here for additional information](#))

- 9. Resolution 2020-049 Amending a Restaurant/Bar Liquor License to a Restaurant/Full Liquor License for Pete's Place, Inc., d/b/a Glidden Hill Grill, 930 Pappas Drive, DeKalb, Illinois.**

City Manager's Summary: Pete's Place, Inc., d/b/a Glidden Hill Grill, located at 930 Pappas Drive (the former Rosati's location), submitted an application for a restaurant/bar liquor license, along with a supplemental annual caterer's license, which was approved by City Council on April 27, 2020 through Resolution 2020-036. Since then, the owner has requested that the license be amended to a restaurant/full liquor license.

Upon approval of the amended liquor license, the City will receive an initial issuance fee of \$5,383 and \$377 for the annual caterer license. The annual renewal fee for the liquor license will be \$3,553 and the annual renewal fee for the caterer's license will be \$377.

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

- 10. Resolution 2020-050 Approving a Bar Liquor License for CJ's Gaming LLC, d/b/a CJ's Gaming, 1406-B Sycamore Road, with Supplemental Licensure for Video Gaming.**

City Manager's Summary: The new owner of CJ's Gaming, located at 1406-B Sycamore Road, has submitted a liquor license application, as well as a gaming license application for six video gaming terminals. The application has been reviewed and received positive recommendations from the Liquor Commissioner and Interim Police Chief, and the new owner has successfully passed her background check.

Upon approval of the liquor license and supplemental gaming license, the City will receive an initial issuance fee of \$10,766, with annual renewal fees of \$2,692. The City will also receive an initial fee of \$500 per video gaming terminal (\$3,000), with annual renewal fees of \$250 per video gaming terminal (\$1,500).

Council approval of the licenses is recommended, subject to the conditions described in the resolution. ([Click here for additional information](#))

11. Resolution 2020-051 Resolution 2020-051 Authorizing a Side Letter to the Collective Bargaining Agreement with the International Association of Firefighters (IAFF) Local 1236 Regarding Promotional Examination to the Rank of Battalion Chief.

City Manager's Summary: The Illinois Fire Department Promotion Act identifies promotions in the Fire Department as a mandatory subject of bargaining which must be negotiated with the Union. Pursuant to that requirement, the current bargaining agreement with the International Association of Firefighters Local 1236 (IAFF) includes a requirement that all candidates testing for promotion to the rank of Battalion Chief must have held the rank of Captain for at least two years.

The Board of Fire and Police Commissioners (BFPC) plans to run a test for Battalion Chief promotions in 2020, but there will not be enough Captains with two full years of service in that rank to run a competitive testing process for Battalion Chief. To remedy this issue and ensure adequate staffing of the Battalion Chief positions, City staff and the IAFF negotiated a side letter of agreement that, with Council approval, will permit all employees who have held the rank of Captain for one (1) year or more at the time of the 2020 Battalion Chief written promotional test, to participate in the promotional testing process.

Conducting a combined promotional testing for Battalion Chief and Captain will be more efficient and reduce the costs of running the two tests. Each promotional test process costs approximately \$4,800.00 for a total of \$9,600.00. Combining the tests will cost about \$5,300.00, saving the City \$4,300.00. The cost of conducting the promotional exam is under the Human Resources budget and sufficient funds have been allocated in the FY20 budget.

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

K. ORDINANCES – SECOND READING

None.

L. ORDINANCES – FIRST READING

1. Ordinance 2020-032 Authorizing the Purchase of Real Estate from the Margaret L. & James D. Gormley Trust (Trust 40-35660) for the Development of Afton Road.

City Manager's Summary: Ordinances 2020-032, 2020-033, 2020-034, and 2020-035 all deal with the City's acquisition of right-of-way for the new Afton Road, which will provide an alternate path from Gurler Road to Keslinger Road once Crego Road is de-commissioned. As the Council is aware from the public discussion of the Ventus project area in March and April, a new, one-mile road within a 66-foot right-of-way will be designed and constructed with state funding from the 2019 Illinois capital bill. State Representatives Tom Demmer and Jeff Keicher have been very dedicated supporters of the state assistance and the development of the Gurler Road corridor.

The specific design mirrors the rural Crego Road design to accommodate both urban traffic and farm vehicles and equipment. There will be two, twelve-foot driving lanes, ample gravel shoulders, and grass ditch lines for storm water control. Afton Road will run south from Gurler Road to Keslinger Road, passing next to the east boundary of the Ventus site (see attached map).

The new roadway passes through portions of four farms. The relative land areas of the right-of-way are shown in the table below:

Owner	Acreage
Bemis Family	4.00
Gormley Family	2.00
Michael & Dianne Walter	1.40
William E. Walter	0.61
Total	8.01

As the Council is aware, the value of agricultural real estate south of the Tollway has exploded in less than 8 months owing to new industrial development. A very recent sales price for a nearby 80-acre farm parcel was \$39,500 per acre; the asking price for an adjacent 160-acre farm parcel is now \$55,000 per acre. The City Manager has offered \$30,000 per acre for the approximately eight acres that would make up the entire right-of-way described above. The sellers are aware that the new road will provide important access, and the road ditches can also be used to mitigate a number of drainage issues that have plagued this relatively flat land for many years.

The funding for the right-of-way acquisition will be reimbursed by the pending state grant, but for the next 60 days or so the City will cover the expenditure with a portion of the \$483,625.05 in additional MFT funds committed by the State of Illinois during the COVID crisis.

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.

With the Council’s approval of the right-of-way acquisition, the City can arrange timely closings with the owners, and then move toward construction plans for bidding purposes. The rapid development of the Ferrara and Ventus projects requires an expedited schedule for the Afton Road completion.

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

2. Ordinance 2020-033 Authorizing the Purchase of Real Estate from William E. Walter for the Development of Afton Road.

City Manager’s Summary: See Ordinance 2020-032 above. **City Council approval is recommended.** ([Click here for additional information](#))

3. Ordinance 2020-034 Authorizing the Purchase of Real Estate from Michael F. Walter for the Development of Afton Road

City Manager’s Summary: See Ordinance 2020-032 above. **City Council approval is recommended.** ([Click here for additional information](#))

4. Ordinance 2020-035 Authorizing the Purchase of Real Estate from Steven L. Bemis for the Development of Afton Road.

City Manager’s Summary: See Ordinance No. 2020-032 above. **City Council approval is recommended.** ([Click here for additional information](#))

5. Ordinance 2020-036 Amending the Fiscal Year-End December 31, 2019 Budget.

City Manager’s Summary: The City’s finances are audited annually by an external company according to local code and state statute. In the audit process any spending that exceeds budgeted amounts has to be reconciled to ensure compliance with generally accepted accounting principles (GAAP). During the FY2019 audit, six funds out of 29 total funds were identified as being over budget for known reasons. The following table shows the individual expenditure lines that need to be reconciled by Council action:

TIF 2 Fund

Expenditure	Account Number	Increase	Revised Budget
TIF Surplus Distribution	261-00-00-68600	\$1,805,237	\$1,805,237
Net Increase		\$1,805,237	

Foreign Fire Insurance Tax Fund

Expenditure	Account Number	Increase	Revised Budget
Uniforms/Protective Clothing	290-00-00-54000	\$7,875	\$7,875
Marketing Ads & Public Info	290-00-00-65200	\$4,111	\$4,611
Net Increase		\$11,986	

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.

General Debt Service Fund

Expenditure	Account Number	Increase	Revised Budget
Bond Issuance Costs	300-00-00-79850	\$33,564	\$33,564
Net Increase		\$33,564	

Capital Projects Fund

Expenditure	Account Number	Increase	Revised Budget
Architect/Engineering Services	400-00-00-62300	\$8,173	\$108,173
Net Increase		\$8,173	

Airport Fund

Expenditure	Account Number	Increase	Revised Budget
Contracted Services	650-00-00-63800	\$3,292	\$28,292
Net Increase		\$3,292	

Firefighters' Pension Fund

Revenue	Account Number	Increase	Revised Budget
Pensioner Compensation	850-00-00-41950	\$174,476	\$3,818,065
Net Increase		\$174,476	

Explanation

The TIF #2 Fund was closed on December 31, 2019. At closing, the remaining fund balance was distributed to the local taxing districts within the TIF. The surplus distribution was not included in the FY2019 Budget; therefore, the budget is increased by \$1,805,237 to bring total expenditures in the fund within budget.

The Foreign Fire Insurance Tax Fund, which is comprised of revenues generated off of a tax on fire insurance premiums on properties located in the City, had expenditures in the categories of Uniforms & Protective Clothing and Marketing Ads & Public Info that exceeded budgeted amounts. Therefore, the budget is increased by \$11,986 to bring total expenditures in the fund within budget.

In 2019, the City undertook a debt refunding to achieve a better interest rate and reduce long term borrowing costs on two debt instruments. The bond issuance costs were not budgeted; therefore, that budget line is being increased \$33,564 to bring total expenditures in the fund within budget. Future savings will outweigh these costs.

Architect & Engineering Services in the Capital Projects Fund exceeded budgeted amounts. These expenditures were related to the annual street maintenance program and were anticipated when the Council expanded the North First Street paving parameters. That budget line is being increased by \$8,173 to bring total expenditures in the fund within budget.

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.

Several expenditure lines in the Airport Fund exceeded budgeted amounts in FY2019, while some came in below budget. In total, expenditures in the fund exceeded budgeted amounts by \$3,292. The Contracted Services budget line is being increased by this amount to bring total expenditures in the fund within budget.

Total pensioner compensation in the Firefighters' Pension Fund exceeded budgeted amounts due to additional retirements that were not included in budget assumptions. That budget line is being increased by \$174,476 to bring total expenditures in the fund within budget.

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

6. Ordinance 2020-037 Amending the Fiscal Year-End December 31, 2020 Budget to Address the Economic Impact of COVID-19.

City Manager's Summary: At the Committee of the Whole meeting of the City Council on May 11, the City Manager summarized the staff estimates of fiscal impacts associated with the COVID-19 pandemic, and recommended some broad fiscal steps to be taken to mitigate the severe revenue disruptions through adjustments in the City's operational spending.

The Council supported the City Manager's recommendations, which included the following, immediate personnel and non-personnel reductions:

FY2020 Immediate Actions	Gen Fund Savings	Water Fund Savings	Total
Personnel			
Fire			
Freeze FF/Paramedic Hire	\$94,000	\$0	
Freeze FF/Paramedic Hire	\$94,000	\$0	
Freeze FF/Paramedic Hire	\$94,000	\$0	
Subtotal	\$282,000	\$0	\$282,000
Police			
Freeze Patrol Officer Hire	\$104,000	\$0	
Freeze Patrol Officer Hire	\$104,000	\$0	
Freeze Patrol Officer Hire	\$104,000	\$0	
Freeze PT TC Hire	\$40,000	\$0	
Freeze PT CSO Hire	\$37,000	\$0	
Subtotal	\$389,000	\$0	\$389,000
Public Works			
Freeze Water Maintenance Position	\$47,000	\$71,000	
Freeze Street Maintenance Position	\$71,000	\$47,000	

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.

Freeze Water Crew Leader Promotion	\$49,000	\$74,000	
Freeze Street Crew Leader Promotion	\$74,000	\$49,000	
Subtotal	\$241,000	\$241,000	\$482,000
Finance			
Account Tech II	\$55,000	\$20,000	
Subtotal	\$55,000	\$20,000	\$75,000
Other			
Reduce Training/Travel 25%	\$42,500	\$0	
Total Personnel Savings	\$1,009,500	\$261,000	\$1,270,500

Additionally, the following expenditure reductions were presented for the City Council's consideration:

1. Commodities: Reduction across the board of already constrained commodity expenses by 5%, yielding **\$50,000**.
2. Contractual Services: In addition to the training reductions identified in the foregoing Personnel table, we can count on an estimated reduction of about **\$315,000** in tax-sharing with other taxing bodies in 2020 due to the fall in tax revenues to be shared. Also, we can probably cut another **\$65,000** across all operating budgets.
3. Fund 420 (Capital Equipment Replacement Fund): Most of the current reserve was built from funding sources other than the local motor fuel tax, including E911 Board payments, Police fines, rental income from water tower leases, the sale of capital assets, and General Fund transfers over the years. In FY2020, about **\$500,000** can be transferred to the General Fund without violating any audit protocols. This means the Fire Engine purchase will be deferred to a future fiscal year.
4. Fund 400 (Capital Projects Fund). The General Fund was slated to transfer **\$186,333** to Fund 400 in 2020. This transfer has been put on hold.

The total savings from 1, 2, 3 and 4 above: \$1,116,333. Combining the personnel cost savings and non-personnel savings itemized above, the City Manager identified \$2,125,833 in budget savings to the General Fund and \$261,000 in savings to the Water Fund, for a total of \$2,386,833.

General Fund Reserve

Assuming a shortfall of \$4.5 million in General Fund revenues in FY2020 against General Fund spending reductions of \$2,125,833, the year-end

General Fund Balance is presently estimated to be \$8,088,274, or 22.46% of the projected FY2020 General Fund expenditures:

General Fund Budget Projection		
	Approved FY2020 Budget	Revised FY2020 Budget
Starting Balance	\$9,423,944	\$10,333,000
FY2020 Revenues	\$38,267,257	\$33,767,257
FY2020 Expenditures	\$38,137,816	\$36,011,983
Ending Balance	\$9,553,385	\$8,088,274
Balance as % of GF Expend.	25.05%	22.46%

The attached ordinance would implement the proposed budget reductions that were reviewed and informally supported by the Council on May 11.

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

7. Ordinance 2020-038 Authorizing Boundary Modifications to the Area Known as the DeKalb County Enterprise Zone (Syngenta).

City Manager’s Summary: Syngenta is a global agribusiness company headquartered in Switzerland, with about 28,000 employees in 90 countries. The firm plans to build on a 24-acre site at the northeast corner of IL Rt. 38 and Willrett Road, just west of Kishwaukee College in unincorporated DeKalb County. Their intent is to construct a 96,000 square foot campus including office space, a customer “experience center,” laboratories, greenhouses, and some warehousing.

Syngenta has applied for inclusion in the DeKalb County Enterprise Zone, which has a maximum capacity of 15 square miles. Currently, properties totaling 13.93 square miles are included within the zone, which has a remaining capacity of 682.4 acres or about 1.066 square miles. If included, the Syngenta parcel of 24 acres plus a connecting area of 2.7 acres between the current zone and the development site would add 26.7 acres, leaving about 655 acres of slightly more than 1 square mile remaining for Enterprise Zone expansion in DeKalb County.

The City of DeKalb is one of seven designating units of government behind the DeKalb County Enterprise Zone. The DeKalb County Economic Development Corporation manages the Enterprise Zone for these units and has requested the boundary modifications described above.

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

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.

M. REPORTS AND COMMUNICATIONS

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

N. EXECUTIVE SESSION

- 1. Approval to Hold an Executive Session in Order to Discuss Personnel as Provided for in 5 ILCS 120/2(c)(1).**

O. ADJOURNMENT

[FULL AGENDA PACKET](#)