



**DEKALB CITY COUNCIL AGENDA
REGULAR MEETING
June 13, 2022
6:00 P.M.**

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

Pursuant to Chapter 2 “City Council”, Section 2.04 “Council Meetings”, persons wishing to address the City Council during this meeting are required to register with the City Clerk or the Recording Secretary by filling out and submitting a Speaker Request form, copies of which are located on the table just outside the meeting room, along with copies of the agenda. Comments will be limited to three (3) minutes. Further information for addressing the City Council can be found on the Speaker Request form.

A. CALL TO ORDER AND ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF THE AGENDA

D. PRESENTATIONS

1. [DeKalb Fire Department 2021 Annual Report.](#)

E. PUBLIC PARTICIPATION

F. APPOINTMENTS

1. **Appointing Steve Doonan, Keith O’Higgins, Lisa Sharp, and Chuck Shepard to the Building Code Review Board, Each for the Completion of a Two-Year Term through December 31, 2024.**
2. [Appointing Jennifer Salmon to the DeKalb Public Library Board for the Completion of a Three-Year Term through December 31, 2025.](#)

G. APPROVAL OF THE MINUTES

1. **Minutes Submitted by the City Clerk – None**
2. **Minutes Submitted by the Recording Secretary**
 - a. [Minutes of the Regular City Council Meeting of May 23, 2022.](#)

H. CONSENT AGENDA

1. [Accounts Payable and Payroll through June 13, 2022, in the Amount of \\$3,741,742.37.](#)

Assistive services, including hearing assistance devices, available upon request.

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2. [Investment and Bank Balance Summary through April 2022.](#)
3. [Year-to-Date Revenues and Expenditures through April 2022.](#)

I. PUBLIC HEARINGS

1. **Public Hearing: Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER) for Program Year 2021 (April 1, 2021- to March 31, 2022).**

City Manager’s Summary: As Community Services Coordinator Joanne Rouse very thoroughly explains in her background memorandum, the **Consolidated Annual Performance Evaluation Report (CAPER)** is required by the U.S. Department of Housing and Urban Development (HUD) and must be submitted not more than 90 days after the close of the program year. The program year covered by this report is April 1, 2021, through March 31, 2022. The CAPER provides information on the City’s accomplishments under this grant during the 12-month program year and an evaluation of how the activities undertaken address the five-year goals and objectives of the Consolidated Plan. The program year for CDBG funding is determined by HUD and does not coincide the City’s fiscal year.

A copy of the City’s Community Development Block Grant (CDBG) CAPER Executive Summary for Program Year 2021 and the CAPER Report is attached. The full CAPER document was made available to the public for a 15-day comment period beginning on May 28, 2022, with a Public Hearing announcement for the Regular City Council meeting of June 13, 2022. Comments received during the public comment period or at the public hearing will be included in the CAPER before it is submitted to HUD. The CDBG funds available and total expenditures for Program Year (PY) 2021 include:

<u>Amount Available for PY 2021</u>	
Annual CDBG Allocation	\$ 426,770.00
Carry-Over Funds from Previous Years	<u>\$ 471,543.53</u>
CDBG Funds Available	\$ 898,313.53
Remaining CDBG-CV Allocation	<u>\$ 205,114.71</u>
Total Available	\$1,103,428.24
 <u>Amount Expended during PY 2021</u>	
CDBG Funds	\$ 408,384.33
CDBG-CV Fund	<u>\$ 178,728.33</u>
Total Expenditures	\$ 587,112.42
 <u>Remaining Balances</u>	
CDBG Entitlement Funds Available	\$ 898,313.53
CDBG Total Expenditures for PY 2021	<u>\$ 408,384.09</u>
Remaining CDBG Funds	\$ 489,929.44
 <u>2020 CDBG-CV Allocation</u>	
Total CDBG-CV Expenditures	<u>\$ 332,357.31</u>
Remaining CDBG-CV Funds:	\$ 211,966.69
 Ending Balance as of March 31, 2022	 \$ 701,896.13

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Summary of Activity Expenditures – CDBG Regular Entitlement

	Amount Available	Total Expenditure	Remaining Balance
2021 Payout of Committed Funds for 2020 Public Services	\$13,750.00	\$13,750.00	\$0.00
2021 Payout of Committed Funds for 2020 Administration	\$17,289.62	\$17,289.62	\$0.00
2018 Public Facilities Project for Fiber Optic Broadband Access	\$95,000.00	\$95,000.00	\$0.00
2019 Public Facilities Project for AGN Street Lights	\$46,589.29	\$46,485.29	\$104.00
2020 Demolition – 912 Edgebrook Drive	\$75,099.00	\$75,099.00	\$0.00
2020 Public Facilities/Improvements – Twombly Road Sidewalks	\$110,000.00	\$26,703.60	\$83,296.40
2020 Optional Relocation Assistance	\$25,000.00	\$0.00	\$25,000.00
2020 Acquisition	\$100,000.00	\$0.00	\$100,000.00
2020 Economic Development	\$100,000.00	\$0.00	\$100,000.00
2021 Public Services	\$63,000.00	\$50,250.00	\$ 12,750.00
2021 Owner Occupied Housing Rehabilitation (Includes program delivery)	\$88,815.62	\$15,134.00	\$73,681.62
2021 Public Facilities – AGN Street Improvements	\$79,656.00	\$0.00	\$79,656.00
2021 Administration	\$84,114.00	\$68,672.58	\$15,441.42
TOTAL	\$898,313.53	\$408,384.09	\$489,929.44

Summary of Activity Expenditures – CDBG CV Funds

	Amount Available	Total Expenditure	Remaining Balance
2020 CDBG-CV Grant	\$539,324.00	\$152,628.94	
2021 CV Public Facilities		\$100,000.00	
2021 CV Public Services		\$ 74,728.37	
2020 Administration	\$5,000.00	\$ 5,000.00	
TOTAL	\$544,324.00	\$332,357.31	\$211,966.69

Total Balance of All CDBG Funds as of 3/31/2022 = \$701,896.13

The attached CAPER Report with Executive Summary provides details on the accomplishments achieved using these funds.

The City is required to complete the CAPER and an Annual Action Plan (budget) for each grant year. Citizen participation is required during both processes. This participation includes a public comment period and public hearing. The CAPER is an informational document that does not require action by Council. However, Council is required to respond to any citizen comments and the City must include the comments in the document submitted to HUD. [\(click here for additional information\)](#)

J. CONSIDERATIONS

None.

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K. RESOLUTIONS

1. **Resolution 2022-049 Authorizing an Intergovernmental Agreement with the DeKalb Community Unit School District No. 428 as it Pertains to School Resource Officers.**

City Manager's Summary: At the last regular City Council meeting of May 23, the Council amended their regular agenda to remove an action item (Resolution 2022-049) concerning a draft intergovernmental agreement (IGA), which had been the focus of staff-level discussion and School Board review from April 11. The Council's action followed the receipt of a new, alternate draft IGA from the Superintendent of the DeKalb Community Unit School District No. 428 at 2:17 p.m. that afternoon, which substantially altered the language of every page of the draft agreement except the introductory "recitals" on page one. The revised draft was prepared by the legal counsel for the District, who reportedly received the working draft of the IGA just a day or so before. The lack of time for any serious review of the re-drafted IGA by members of the Council, City staff, or City Attorney led the Council to prudently remove the agenda item.

Since May 23, City Attorney Matt Rose and the District's attorney, Steve Richart of Hodges Loizzi (Itasca), have gone line-by-line through the alternate draft. The following economic terms have been tentatively agreed at the staff level:

- The Agreement has a term of three (3) years and may be rescinded by either Party provided written notice is given at least ninety (90) days before the beginning of the Fall school term.
- The revised IGA funds five (5) School Resource Officers (SROs) for the fall term of 2022. The Parties may mutually agree, in writing, to reduce the number of SROs during the term of the Agreement, provided such reduction is agreed at least ninety (90) days in advance of the beginning of the next Fall school term.
- The five (5) SROs will be assigned as follows: two SROs in the High School; one (1) SRO in each middle school; and one (1) SRO for the six elementary schools within the DeKalb corporate limits. The City of DeKalb will not provide funding for SROs in the Malta or Cortland jurisdictions.
- The District will reimburse the City in an amount equal to seventy-five percent (75%) of the total cost of each SRO including base salary, benefits, and overtime pay directly arising from the SRO's work in the District. These costs may be amended at the beginning of each school year in relation to applicable changes in salary and benefits as defined by the City's collective bargaining agreement with the DeKalb Fraternal Order of Police, Lodge 115; annual actuarial changes in the individual pension costs; and annual changes in the City's group health care costs.
- The District will additionally reimburse the City for a pro rata share of the Police Department's acquisition of two (2) additional Police vehicles, within the standard Police package including light bars and a variety of electronic equipment, similar to but not greater in cost than the package in other patrol vehicles. Because such vehicles will be available over a 24-hour period throughout the year, the District's one-time upfront cost shall not exceed 75% of 33% (or, 25%) of the overall vehicle cost and the cost of related upfitting. In the event that the Parties agree to a reduction in SROs from the five (5) officers identified in Section 3 during the three-year term of this Agreement, the City will consider a pro rata reimbursement toward the District's share of the original vehicle cost.

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Other sections of the proposed Agreement addressing indemnification, liability for disability benefits, duties of the SROs, etc. are being drafted by the District's legal counsel at this writing and have not been reviewed by the Board of Education, District staff, the City Attorney, or City staff. **The City Manager recommends removing this item from the Council agenda once again, and until such time as tentative agreement by the respective staffs and legal counsels has been achieved.**

2. Resolution 2022-051 Authorizing the Award of a Contract to Curran Contracting, Inc. in the Amount of \$934,183.70 for Resurfacing and Concrete Repairs on Thirteenth Street and Fourteenth Street and Various Other Locations with Staff Authority to Approve Change Orders Up to a Combined Project Total Not to Exceed \$999,577.

City Manager's Summary: On April 25, the Council approved "Phase One" of the 2022 annual street maintenance program which focused on Joanne Lane from Tilton Park Drive to Ilehamwood Drive. Phase One is funded by Fund 210 in the amount of \$521,333.57 (210-00-00-83000). The annual street maintenance program undertakes asphalt surface removal and replacement to repair local streets and, typically, also includes associated concrete maintenance on adjacent sidewalks and curb and gutter. Phase Two targets North Thirteenth and Fourteenth Streets from Clark Street to Sycamore Road. The bids for this phase are as follows:

Company Name	Base Bid	Alternate #1	Alternate #2
Curran Contracting	\$ 814,930.75	\$62,363.85	\$56,889.10
Builders Paving	\$1,021,750.00	\$56,420.00	\$47,830.00

Since Alternate #1 and Alternate #2 were relatively low-cost in the current bidding environment, the City Engineer recommends funding both alternates which repair East Dresser near Fourteenth Street, and also Grove Street near the downtown to properly prepare it for the parallel bike route required by IDOT. The City Engineer is also recommending additional spending authority (7%) to approve change orders for contingency items such as minor quantity over-runs and unforeseen repairs. The total cost of Phase Two with the two alternates and the proposed contingency is \$999,577. Phase Two of the 2022 Street Maintenance Program is funded by Fund 400 (\$999,577; 400-00-00-83050). With the nearly \$1,000,000 already committed to the concrete and asphalt work in the Knolls, the total FY2022 street maintenance program is approximately \$2.5 million.

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

3. Resolution 2022-052 Authorizing Brown Equipment Company to Make Repairs to the Public Works Combination Vacuum/Flusher Truck (Vactor) in an Amount Not to Exceed \$51,026.

City Manager's Summary: Vactor is a brand name of a combination vacuum/flusher truck. The City's truck was manufactured in 2003 and was originally purchased and owned by the Kishwaukee Water Reclamation District (KWRD). KWRD sold the equipment to the Utility Department in 2019 for \$57,500. New Vactor trucks are presently priced at about \$500,000.

The truck is used nearly every day by the Public Works department. Among the critical functions it performs is excavation (the engine can literally create a hole in looser soil or aggregate that saves wear and tear on the backs and arms of maintenance workers); the jetting of plugged storm sewer lines; and the cleaning of valve vaults and catch basins. In addition, the vehicle is used for cleaning the salt brine tanks and iron filters at the City's water treatment plants.

During routine catch basin work recently performed by the Street Department, the vacuum portion of the truck stopped functioning. The truck was taken to Brown Equipment Company in Island Lake, Illinois and later transferred to another Brown Equipment facility in Indiana for diagnosis of the problem.

Brown Equipment provided a quote in the amount of \$51,026 (Exhibit A) outlining the repairs necessary. The primary repairs include replacement of the gear box (\$22,440) and replacement of the fan assembly (\$13,769).

The Utility Department is requesting approval of the quote received from Brown Equipment Company to perform necessary repairs to the City's Vector truck in an amount not to exceed \$51,026.

However, there are other options:

- Trade-in the Vector "as is" for the purchase of a used combination truck. Brown Equipment estimated the truck would be worth \$15,000 - \$20,000 as a potential trade-in if not repaired. This amount could be applied to the purchase of a used combination vacuum/flusher truck. The cost for a comparable, slightly newer, used vacuum/flusher truck is \$150,000 - \$200,000. Brown Equipment representatives have indicated the demand for new vacuum/flusher trucks is high and, coupled with supply shortages, has driven up the price and reduced availability of used combination trucks.
- Trade-in the Vector "as is" for the purchase of a new combination truck. The existing Vector could be traded in for a new combination truck. Brown Equipment estimated the cost of a new truck at \$500,000. There have been many improvements and advancements to combination trucks since 2003 relating to safety and greater flushing/vacuuming capabilities. These advancements however come with a significant price tag for which there is no dedicated capital funding.

Given the options available, the City Manager recommends repairing the existing Vector. The Vector has performed well since the city purchased it in 2019 and is otherwise in good shape. Even with the high cost of repair, the vehicle should maintain its value. According to the Brown repair facility which deals with Vectors in all conditions, a repaired Vector should hold considerable value as a trade-in.

Additionally, repairing the vehicle will allow it to be returned to operation in a relatively short period of time. As the existing Vector was manufactured in 2003 and is nearing 20 years of age, consideration should be given toward the gradual reservation of funding in the Water Capital Fund (Fund 620) for the replacement of the vehicle in a few years as other pressing fleet purchases are addressed.

City Council approval of the repair cost of \$51,026 is recommended. This funding will come from the Water Capital Fund (620-00-00-87000, "Vehicles"). ([click here for additional information](#))

4. Resolution 2022-053 Authorizing the Waiver of Competitive Bidding and an Agreement with Alexander Chemical Company for the Purchase and Delivery of Chlorine for Treatment of the City's Drinking Water for a Period of Six Months from June 1, 2022, through December 31, 2022.

City Manager's Summary: As Assistant Public Works Director Bryan Faivre writes in his background memorandum, the Utility Department uses about 35,000 pounds of chlorine annually for treatment of the City's drinking water supply. To secure an adequate supply of chlorine, quotes are annually requested from regional suppliers. Quotes received in January 2021 from Alexander Chemical Company came to approximately \$0.30 per pound. At a cost of \$0.30 per pound, and an annual use of 35,000 pounds per year, the City's annual cost would be about \$10,500.

Due to unprecedented circumstances causing disruptions in chemical supply chains around the world, the lack of raw materials, and increases in manufacturing and shipping costs, the price of drinking water chemicals has skyrocketed in the past 15 months. In September 2021, the Utility division was notified by Alexander Chemical that the cost of chlorine would increase from \$0.30 per pound to \$0.62 per pound. At the time, this was thought to be a "temporary" increase until global supply chains recovered. Unfortunately, inflationary issues have persisted, and Alexander Chemical followed with a subsequent notification of an increase to \$0.9050 per pound in January 2022, \$0.98 per pound in April 2022 and \$1.11 per pound starting in June 2022. This same scenario has played out in many other municipalities as shortages in the availability of water treatment chemicals continue. As an example, a representative with Sycamore's Water Department indicated their chlorine cost, received from a different supplier, has increased just as rapidly.

With these increases, it is anticipated that the annual cost of chlorine for this year will exceed \$20,000. This will exceed the City Manager's spending threshold, requiring Council approval. Due to continued global supply chain shortages, it is doubtful this situation will improve anytime soon. Additionally, it is unlikely that another supplier of chlorine will burst on the scene, as many water chemical supply companies are servicing their current customers, but not taking on additional customers at this time.

For this reason, the City Manager recommends a waiver of competitive bidding and the authorization of a purchase agreement with Alexander Chemical Company to continue to provide chlorine to the City for the remainder of the 2022 calendar year. This will allow the Utility division to evaluate the supply chain issues over the coming months and secure future shipments of chlorine after a Request for Bid in 2023. ([click here for additional information](#))

L. ORDINANCES – SECOND READING

None.

M. ORDINANCES – FIRST READING

1. Ordinance 2022-024 Amending the Municipal Code by Repealing Chapter 47 "Cultural Affairs Commission", and Amending Chapter 44 "Landmark Commission", and Chapter 59 "Economic Development Commission".

City Manager's Summary: Of the City's 16 boards, commissions, and committees, a core group of volunteer boards, commissions or committees meet on a regular basis with active staff support, but a number meet irregularly, if at all, and some have not met for years.

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The City staff and Mayor Barnes have been working on a proposal that might reinvigorate some and allow a few others to more formally fade away.

The attached ordinance takes the staff suggestions in straightforward fashion, to clarify the proposed changes for Council and citizen review. The proposed changes are as follows:

- a) Cultural Affairs Commission (Chapter 47). This commission was created in 1998 to “monitor social trends, anticipate potential problems,” and advise the Council on “appropriate civic strategies.” The 13-member Commission has not met regularly since 2000 and has no active members. Much of the Commission’s focus was absorbed by the Human Relations Commission and, more recently, the new Citizens Police Review Board.

Recommendation: Amend the Municipal Code to repeal Chapter 47.

- b) Landmark Commission (Chapter 44). The seven-member Landmark Commission was created in 1978 for the following purposes, among others:

- To conduct and maintain a survey of all local historic buildings, districts, etc.;
- To work for the continuing education of local residents and businesses with respect to the historical and architectural heritage of the City;
- To hold public hearings and make recommendations to the Council regarding new applications for landmark status; and
- To review exterior alterations of residential dwellings located in designated historic districts and employ consultant services, as needed, to make recommendations to the Council with respect to permitting.

The Commission has the ability to identify **local** landmark buildings and historic districts. A separate process involving the U.S. Department of the Interior is required to establish National Register buildings or historic districts. The City of DeKalb has five (5) buildings on the National Register: Ellwood House Museum; Egyptian Theatre; DeKalb Public (Haish Memorial) Library Building; the George Gurler House; and the Joseph F. Glidden House.

The Commission has not met since 2018 and has no active members. Nevertheless, the City needs to reinvigorate the Commission so the City can maintain its “Certified Local Government” (CLG) status.

One of the reasons for the lack of interest has been the unpopular, extra-regulatory role of the Commission, which is described in Section 44.10 of the Municipal Code. The Commission has the authority to rule on every building permit application applying to an exterior alteration or addition to a residence within a historic district, even though the residence has suffered from neglect, or has never been considered by itself to be of “historic” or “architecturally significant” character. The Municipal Code (Section 44.10) requires the Chief Building Official to notify the applicant for a building permit that the Commission has independent review powers relating to all exterior alterations in neighborhoods on the local landmark register, including fencing. Specifically, the Commission may request a conference with an applicant apart from the normal

building permit process; take 30 days to separately review the permit application; delay any permit it does not favor by an additional ninety (90) days if it believes the applicant's plans do not conform to the look that the Commission hopes to preserve in a historic district; and the Commission has the responsibility to send a summary report to the Council and City Building department for further review.

In practice, the work of the Commission, as scripted in the Municipal Code, became onerous rather than supportive. For example, although no detailed preservation objectives, by property, were articulated in images and plans for the Huntley Historic District that borders Huntley Park, persons buying older homes in that district that were in need of serious maintenance found they could not put in more modern windows and doors if they did not replicate the historic styles installed when the structures were initially built in the post-WWI era. It was also the case that lower maintenance building materials such as vinyl or aluminum siding could not be used over cedar or fir siding that had been deteriorating for years. This either discouraged ownership or substantially increased exterior remodeling costs to the point where the improvements were not made. Additionally, members of the Commission were placed in rigorous regulatory roles they did not seek.

The revised language in the attached ordinance creates an educational rather than "watchdog" role for the Commission. For buildings that are not part of the National Register but are identified simply as "Local Landmark Buildings" or as part of a local historic district identified in Appendix A of Chapter 44, the following will apply:

- Copies of all available historic photos, drawings, or narratives relating to the local landmark buildings that may be archived in City, Library or local private repositories shall be made available to any applicant for a building permit which would involve exterior alterations to a local landmark building. These sources shall be updated and made readily available to the City's Building Department from time-to-time so permit applicants can consider or reconsider their remodeling plans in light of the historic images that the Commission wishes to preserve. With the Commission's earnest dedication to making such copies readily available and on demand for the Chief Building Official, the permit process need not be extended more than fifteen (15) days for such research purposes.
 - In addition to its active and ongoing research on buildings already identified on the DeKalb Landmark Register, the Commission shall meet no less than quarterly to review recommendations that may arise concerning other buildings or districts that might qualify for the Local Landmark Register.
 - Additionally, the historic Nehring Building, now known as City Hall at 164 E. Lincoln Highway, will be added to the list of Local Landmark Buildings in Appendix A of Chapter 44.
- c) Economic Development Commission (Chapter 59). By ordinance, this six-member Commission meets every other month (in January, March, May, July, September, and November) ostensibly to provide "recommendations for the maintenance of the economic health" of the community. It has the latitude to recommend policies to make the City more competitive, and to enhance relations between the City and local business interests. In recent years, the City government has proven its competitiveness with respect to the attraction of new, corporate business, and has

enhanced its image as a business-friendly community for start-ups, to restaurants and services, and to larger property investors.

Recommendation: Amend the Municipal Code to establish a quarterly meeting schedule with a focus on information-sharing and topics of general business interest.

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

2. Ordinance 2022-025 Authorizing the Issuance of Not to Exceed \$4,300,000 General Obligation Refunding Bonds, Series 2022, of the City of DeKalb, Illinois.

City Manager's Summary: At the last regular Council meeting of May 23, the Council considered the possibility of refunding one outstanding bond issue, the General Obligation Bonds, Series 2013A (Library Bonds), that meets the eligibility and logical requirements for refunding (refinancing). The bonds have a call date of January 1, 2023, and could be refunded up to three months in advance, in October 2022, to take advantage of the current market's low interest rates and reduce the overall debt service over the remaining term of the bonds.

The 2013A bonds were issued on June 18, 2013, for \$6,685,000 to help finance the expansion and renovation of the DeKalb Public Library. As noted above, the bonds are callable on January 1, 2023, meaning that is the first opportunity to pay off the remaining principal. As of May 1, 2022, \$4,345,000 of principal was outstanding. The remaining interest payments range from 3.00% to 4.00%. Annual debt payments, which are paid by the City from the City's General Fund, average \$485,000. Property taxes are abated every year, and the City uses other General Fund revenues to repay the debt.

In early May, City staff met with Dalena Welkomer of Baird Public Finance – the City's underwriters on five prior bond issues – to discuss savings opportunities that could be achieved by refunding the 2013A bonds. Baird advised that based on current market conditions it is not economical to advance refund the 2013A bonds at taxable interest rates now, nor currently refund the 2013A bonds at tax-exempt rates in the Fall using current public offering rates.

Baird advised that the City's greatest savings opportunity may lie with a private placement (i.e., direct placement to a bank), as the City did with its 2019 refunding bonds. The advantages to this are:

- Private placement typically has lower issuance costs and can be done more quickly, because a bond rating and an official statement are typically not required.
- The benefits will change with market conditions.
- Currently, bank rates have not caught up to (higher) public offering rates.

After some discussion, The Council directed the City Manager to prepare an ordinance that would lock in a tax-exempt rate in June with delivery to occur in October, eliminating the market risk. This approach offers a *hypothetical* gross debt service savings of \$189,532 (about \$17,200 annually, after the costs of issuance are included).

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

3. Ordinance 2022-026 Approving an Amendment to Ordinance 2021-015 to Extend the Time Limit to July 1, 2023, to Obtain a State-Issued Cannabis Dispensary License for the Property Located at 818 W. Lincoln Highway (NuMed Partners).

City Manager's Summary: On April 21, 2020, the City Council approved Ordinance 2020-029 which granted a special use permit for an adult use and medical cannabis dispensary at 818 W. Lincoln Highway (the Junction Shopping Center) for NuMed Partners. The special use permit required the applicant to obtain a state-issued license within one year of the approval of the ordinance. On April 12, 2021, the Council approved Ordinance 2021-15 which amended the original ordinance to extend the time limit to July 1, 2022, to obtain a state-issued license after a Cook County judge stayed action on state-issued licenses.

On Friday, May 27, 2022, Cook County Circuit Judge Michael Mullen lifted the stay, allowing the state to begin licensing new businesses. Although heartening news for many businesses, it is by no means certain when State officials can establish corrective lotteries to give all of the 185 licensees a fair chance to gain a license. In addition, businesses that may have been excluded from lotteries in the past may seek a new court order to assure better opportunities going forward.

In this still-uncertain moment for cannabis licenses in Illinois, NuMed has requested a further extension. NuMed has continued to pay rent for a 6,660 square foot space at 818 W. Lincoln Highway since their initial interest in the location. If approved, their proposed operation will have a high level of security meeting all State requirements and industry standards. The proposed location will also have related retail operations including the selling of logo apparel, devices, and merchandise.

The attached Ordinance 2022-026, like the original Ordinance 2020-029, contains a condition requiring the applicant to complete the build-out and tenant improvements within six months after issuance of the state-issued license (and prior to opening of the facility). In addition, the Ordinance requires the applicant to comply with the relevant restrictions of Article 7.18 of the Unified Development Ordinance for "Cannabis Business Establishments" and have an approved security plan with the Police Department prior to a final certificate of occupancy.

The Planning and Zoning Commission held a public hearing regarding the petition at their meeting on June 6, 2022. By a vote of 4-0, the Commission recommended City Council approval of an amendment to Ordinance 2021-015 to extend the time limit to July 1, 2023, to obtain a State-issued cannabis dispensary license for the property located at 818 W. Lincoln Highway. The Commission also recommended the inclusion of the 2020 and 2021 conditions pertaining to the completion of the tenant improvements and the filing of a security plan.

City Council approval of the Planning and Zoning Commission recommendation is requested. ([click here for additional information](#))

4. Ordinance 2022-027 Amending the Fiscal Year-End December 31, 2021, Budget.

City Manager's Summary: The FY2021 year-end review has been concluded and the City has received a draft of the audited financial statements. The auditors have recommended one final amendment to the budget for the fiscal year ended December 31, 2021.

As noted in previous meetings, the City’s legal level of budgetary authority is at the fund level, meaning that the budget officer may transfer amounts between departments within a fund, but transfers between funds must be approved by the City Council. Additionally, Expenditures may not legally exceed budgeted appropriations at the fund level. To remain in compliance with generally accepted accounting principles, the budget amendment outlined below is prudent.

When the Fiscal Year 2021 budget was adopted, there was great uncertainty as to the effect of the COVID-19 pandemic on certain revenue streams, including state sales tax revenues. The budget was adopted with a conservative amount of sales tax revenue expected; during the fiscal year the economy was showing improvement and an amendment increasing overall sales tax estimates was made. Since the fiscal year ended and revenue accruals have been recorded, the City experienced additional favorable economic results and actual sales tax revenue of about \$6.2 million exceeded the higher, amended budget by roughly \$593,000.

The other side to the equation is that the City previously entered into sales tax sharing agreements with other entities that share in the taxes generated by retailers in certain designated business areas. As a result, the actual expenditure for sales tax sharing agreements has also exceeded the original budget. Thus, an amendment to increase the sales tax sharing expenditure is necessary but is far outweighed by the additional sales tax revenue received.

There is no net effect to the General Fund.

GENERAL FUND					
Account Name	GL Account	Account Type	Current Budget	+ / - Amendment	Amended Budget
State Sales Tax	100-00-00-31100	Revenue	\$5,613,320	\$200,000	\$5,813,320
Tax Sharing Agreements	100-55-00-68750	Expense	\$1,550,000	\$200,000	\$1,750,000

City Council approval 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 – JUNE 13, 2022](#)