



**DEKALB CITY COUNCIL AGENDA
JUNE 22, 2020
6:00 P.M.**

****NEW LOCATION****

DeKalb Public Library
Yusunas Meeting Room
309 Oak 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 120/1, et seq. (the “OMA”), 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.” This executive order has been extended by subsequent executive orders through the pendency of this meeting.

On Friday June 12, 2020, Public Act 100-0640 became effective law. Public Act 100-0640 amends the OMA to allow public bodies, subject to certain conditions, to (1) conduct meetings by audio or video conference without the physical presence of a quorum of the members of the public body; and (2) provide alternative arrangements for members of the public to attend said meetings. Due to the COVID-19 emergency, the City of DeKalb has determined that it may be necessary to conduct meetings by audio or video conference without the physical presence of a quorum and provide alternative arrangements for members of the public to attend said meetings.

The City of DeKalb has taken prudent steps to assure that virtual Council member attendance and public access are satisfied within the intent of the Governor’s executive orders, Public Act 100-0640 and other applicable law.

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.

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A. CALL TO ORDER AND ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF THE AGENDA

D. PUBLIC PARTICIPATION

E. PRESENTATIONS

None.

F. APPOINTMENTS

None.

G. CONSENT AGENDA

1. [Minutes of the Committee of the Whole Meeting of June 8, 2020.](#)
2. [Minutes of the Regular City Council Meeting of June 8, 2020.](#)
3. [Approval of Executive Session Minutes.](#)
4. [Accounts Payable and Payroll through June 22, 2020 in the Amount of \\$2,555,818.81.](#)
5. [Investment and Bank Balance Summary through April 2020.](#)
6. [Year-to-Date Revenues and Expenditures through April 2020.](#)
7. [Freedom of Information Act \(FOIA\) Report – May 2020.](#)
8. [Hospitality Recovery Program Update.](#) The attached dashboard charts the progress of restaurant and bar tax revenues based on the most recent City revenue postings.

H. PUBLIC HEARINGS

None.

I. CONSIDERATIONS

1. **Presentation of the FY2019 Comprehensive Annual Financial Report (CAFR), Audit Report, and Management Letter by Sikich, LLP.**

City Manager's Summary: The Comprehensive Annual Financial Report (CAFR), Audit Report, and Management Letter for FY2019 will be presented by the auditing firm of Sikich, LLC. The firm's auditing team has been led by one of the partners, Brian LeFevre, CPA, MBA who will be on hand to make the presentation.

The final numbers for FY2019 as represented in the draft audit would have portended a strong fiscal year in FY2020 but for the unforeseen pressure on General Fund revenues and spending owing to the COVID-19 crisis. The Council will be pleased to know that, overall, General Fund revenues exceeded budgeted parameters in the fiscal year ending December 31, 2019 by \$925,179. Even more significant than the stronger-than-expected revenues was the earnest reduction in expenditures in 2019. Actual General Fund expenditures for 2019 were \$35,581,282, which is \$736,490 below budget. As a result, the General Fund balance ended at \$10,524,704 or 29.6% of annual expenditures, including transfers. This is \$3,121,847 higher than the actual FY2018 fiscal-year end balance of \$7,402,857 (20% of FY2018 expenditures).

The auditors reported a clean audit with no deficiencies in internal control that were considered material weaknesses. However, the auditors did note several internal controls that can be improved over time by additional staff in the Water Department. Specifically, because of fiscal constraints, the Water Superintendent was the only employee available to review the meter reads being imported into the utility billing software. In the near term, the Director of Utilities and Transportation will provide assistance in sampling reads for any inconsistencies. Additionally, with limited staff, bank reconciliations were not consistently reviewed by higher management. The recent hiring of an account manager with responsibility for such oversight, among other duties, should address this audit recommendation.

J. RESOLUTIONS

1. **Resolution 2020-059 Receiving and Filing the FY2019 Comprehensive Annual Financial Report (CAFR), Audit Report, and Management Letter.**

City Manager's Summary: The attached resolution provides the opportunity for Council to receive and file the City's annual audit as reviewed by the Sikich auditing team.

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

2. **Resolution 2020-060 Authorizing an Agreement for Professional Engineering Services with Hampton, Lenzini, and Renwick for City Bridge Inspections in an Amount Not to Exceed \$23,614.**

City Manager's Summary: This Resolution authorizes an agreement with Hampton, Lenzini, and Renwick (HLR) in an amount not to exceed \$23,614 for professional bridge inspection services on all nine of the City structures that require such inspection as determined by the Illinois Department of Transportation.

The Bridge Inspection Program is performed biennially. It helps the City take reasonable steps to extend the functional lifecycle of a structure. Such repairs may include minor maintenance, reductions in the permitted load limits, and programming for the replacement of structures approaching serious structural deficiencies.

The City Engineer typically requests proposals from one or more qualified firms on the City pre-approved list. In this particular case, HLR is currently working on the reconstruction design for two existing bridges (N. First Street and Lucinda Avenue) and is very familiar with the current conditions.

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

3. Resolution 2020-061 Authorizing the Sale of Real Property Located at 715 N. 11th Street (PIN 08-23-203-013) in the Amount of \$6,000.

City Manager's Summary: Two adjacent property owners – the Gerkens and Mehrens – have proposed splitting this very narrow, non-conforming, vacant residential lot owned by the City to extend their backyards. The asking price for this approximately 7,500 square foot lot is \$6,000 and they have agreed to split that. The Gerkens will pay \$4,000 (Parcel One) and the Mehrens will pay \$2,000 (Parcel Two) at the joint closing, based on the unequal configuration of the respective lots.

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

4. Resolution 2020-062 Authorizing an Addendum to the Non-Exclusive License Agreement for the Installation of Underground Fiber Optic Facilities within the Public Right-of-Way for the Annie Glidden North Broadband Infrastructure Project.

City Manager's Summary: For the past two years, Community Services Coordinator Joanne Rouse has been working on a Community Development Block Grant (CDBG) project to provide free broadband access to the residents of the Annie Glidden North neighborhood. Ms. Rouse is proposing a partnership with Syndeo Network, Inc. to install the fiber optic cable and network hardware to provide this service. The project would be funded using CDBG funds in the amount of \$210,000 plus a large in-kind contribution in the amount of \$150,000 from Syndeo. The attached documents are an addendum to an existing 2010 agreement with Syndeo for the installation of fiber optic

facilities in the public right-of-way. The attached Resolution would approve the addition to this agreement.

In 2019, Syndeo was installing fiber optic in other areas of the City and was approached by Ms. Rouse to discuss the proposed project located in the AGN neighborhood. Syndeo saw an opportunity to expand their service and play an active part in bridging the digital divide in the AGN neighborhood. A project was framed to provide free internet services in the most densely populated low-income area of the City. Syndeo agreed to install the fiber optic service if the City purchased the hardware required to provide free access to the internet. The City will lease the connectivity for a total of 10 years and Syndeo will manage the network including maintenance and monitoring of the system, with the understanding that Syndeo can market enhanced services to area residents as a means to make the free access system self-sustaining. The project was presented to HUD as a sole-source procurement as no other companies were working in this part of the City and Syndeo had future projects sited in the area that decreased the overall cost of the project. The City will make a one-time contribution of \$210,000 for the creation of the network and 10 year's use from its CDBG funding. Syndeo will contribute \$150,000 through in-kind materials and services to support the project. The City has committed to an annual fee of \$22,000 per year starting in FY2021 for a period of no more than five years to support the system until it becomes self-sustaining.

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

5. Resolution 2020-063 Authorizing an Architectural Improvement Program (AIP) Economic Incentive for Helen's Hair Designs, Located at 147 N. 2nd Street, in the Amount of \$775.

City Manager's Summary: The Architectural Improvement Program (AIP) is a part of the City's Tax Increment Financing (TIF) program focused on the rehabilitation of downtown commercial properties. The maximum AIP allocation is \$25,000 but the City Council might consider a higher grant up to \$50,000 on a property with notable historical significance. The program has three tiers of funding as shown in the attached application. Recipients of these grants are bound by contract to maintain the improvements for not less than five years (i.e. AIP grants are partially forgiven by 20% or 1/5 each year).

When the Council revised the program in 2017, it encouraged façade improvements to enhance the appearance of downtown commercial buildings. Such façade improvements can include new awnings, for which a 50% match is pledged, if funds are available.

The general Council direction of May 26 with respect to the City's TIF program included support for the continuance of the AIP program. The Council also supported the City Manager's suggestion to increase the program's overall funding from \$50,000 to \$75,000 in FY2020 and FY2021 "to accelerate ADA

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and aesthetic improvements in key downtown blocks within TIF #3.” **This Agenda item and the next Agenda item present smaller rehab projects within TIF #3 that have been proposed by downtown building owners in recent weeks and that would qualify for consideration under the AIP program guidelines.**

The first of these was submitted by Helen Umbdenstock, the owner of the property at 147 N. Second and the owner/operator of Helen’s Hair Designs. Ms. Umbdenstock has applied for a facade grant to replace her commercial awning. The estimated cost of that improvement is \$1,550 for which a 50% grant may be extended. The owner will make other minor improvements.

City Council approval of an AIP grant of **\$775.00** is recommended. If approved, the staff and City Attorney will draw up a minor contract that binds the owner to maintain the improvement for not less than five (5) years.

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

6. Resolution 2020-064 Authorizing an Architectural Improvement Program (AIP) Economic Incentive for Sam and Jacqui Finch, Owners of Finch Funeral Home, Located at 310 Oak Street, in the Amount of \$9,888.50.

City Manager’s Summary: Sam and Jacqui Finch, owners and operators of Finch Funeral Home, have applied for an AIP grant of \$9,888.50 to assist them in tuckpointing their funeral home. Their application is appended. The Finch’s presented two bids for the proposed tuckpointing and the lowest bid was from Weaver Construction in the amount of \$19,777. Tuckpointing does qualify as a major capital improvement under the program, and with Council approval can be reimbursed at a 50% threshold. In this case, the AIP grant request is for **\$9,888.50**.

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

K. ORDINANCES – SECOND READING

1. Ordinance 2020-041 Approving a Rezoning from “CBD” Central Business District to “PD-C” Planned Development – Commercial District, and Approving a Preliminary and Final Development Plan to Allow for a Building Contractor’s Office and Materials Storage at 421 Grove Street (Christa and Matt Gehrke).

City Manager’s Summary: On June 8, the City Council approved the attached rezoning request and development plans on first reading only, to allow for the further consideration of a related TIF request. After discussing the Gehrke TIF request and staff recommendation, the Council directed the City Manager to

bring back the rezoning request on second reading, and to provide a draft TIF agreement for a forgivable loan of \$159,920.00.

The applicant, Matt Gehrke, the principal owner of Swedberg & Associates in Sycamore, is planning to relocate the firm to the subject site. Under the current zoning classification (CBD), a building contractor's office with materials storage is not specifically listed as a permitted use or special use. In addition, the CBD District currently prohibits storage outside a principal use. The proposed "PD-C" zoning will allow the applicant to use the building contractor's office with screened materials storage. The request also involves a waiver to the Unified Development Ordinance requirement for a Planned Development to have more than two acres. The City has previously granted similar waivers for the Cornerstone and Plaza DeKalb projects. The applicant is also requesting approval of a preliminary and final development plan.

The property contains 1.24 acres and for decades was the location of the family-owned business, Sawyer Auto Imports. Since the close of that dealership and sale of the property in 2003, the building has been either vacant or underutilized. For several years up to and including the recession of 2008-2010 the building was used for architectural and engineering offices. In the past few years, the building has had several small tenants renting inside space for boat and motorcycle storage, and portions of the large office area have been intermittently leased. The considerable surrounding parking area has fallen into serious disrepair. The property has been listed for sale since 2013. If the rezoning is approved, the applicant hopes to close on the property and terminate the current short-term leases.

The outdoor materials storage will be located to the north and east sides of the building behind an eight-foot-high decorative metal fence. The fence will provide a full screen and will be constructed of materials that will be durable and compatible with the surrounding area. In addition to the fence, the applicant will be planting 17 shrubs along the S. Fifth Street fence line. In addition, the applicant will be planting 10 shrubs along the S. Fourth Street frontage to enhance the landscaped buffer along that corridor.

Eighteen (18) parking spaces are required based upon the formula in the UDO for contractors' offices and shops. The formula is one parking space for every 300 square feet of floor area of sales and office use, one space for every employee on the maximum shift, plus one space for every vehicle customarily used in the operation of the business and stored on the premises. There will be 2,500 square feet of office floor area, four employees on the maximum shift and six work vehicles used in the operation, which results in 18 required parking spaces. There is a total of 22 marked parking spaces on the lot, outside of the proposed fenced area. The large paved area generally between the building and S. Fourth Street will not be striped at this time, as there is potential for the development of a future commercial use in that area.

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To further upgrade the exterior appearance, the yard light posts will be painted along with the lot striping and landscaped noted above.

The Planning and Zoning Commission held a public hearing regarding the petition at their meeting on May 20, 2020. By a vote of 5 to 0 (Commission Members Buckley and Becker were absent) the Commission recommended City Council approval of a Zoning Map Amendment from the “CBD” Central Business District to the “PD-C” Planned Development – Commercial District; approval of a waiver to the Unified Development Ordinance for a Planned Development of less than two acres, and approval of a preliminary and final development plan to accommodate a building contractor’s office and materials storage on the subject site at 421 Grove Street according to the plans and exhibits contained in the attached staff report.

City Council approval of the Planning & Zoning Commission’s recommendation on second reading is requested. ([Click here for additional information](#))

A draft TIF agreement consistent with the Council’s consensus on June 8 follows on this Agenda.

L. ORDINANCES – FIRST READING

1. Ordinance 2020-043 Approving a Development Agreement with Swedberg & Associates, Inc. (421 Grove Street).

City Manager’s Summary: The sole owners of Swedberg & Associates, Matt and Christa Gehrke, have two business-related goals before they can relocate their highly regarded construction business to DeKalb: (1) the re-zoning of the former Sawyer property as described above, and (2) securing some City assistance for their relocation and the upgrading of the property at 421 Grove Street. The property is in TIF #3 and TIF #1. The Gehrke TIF proposal was considered by the Council on June 8 and an informal consensus was reached around a more limited staff recommendation, described below.

To begin, the City’s TIF Budget for private property rehabilitation for the balance of 2020 and for 2021 is limited, as shown in the table that follows:

TIF #3 Private Property Rehabilitation			
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. Lincoln Hwy. - 1 st to Pearl	?
260 E. Lincoln Hwy.	\$124,100	DeKalb Lawn & Equipment	?
200 S. Fourth St.	\$350,000	200 S. Fourth St.	\$550,000
263 E. Lincoln Hwy. (The House)	?		
121 N. Second St. (Hillside)	?		
421 Grove St.	?		?
Project Total	\$3,661,241	Project Total	\$1,975,000
Available	\$95,259	Available	\$875,000

TIF #3 Public Infrastructure			
FY2020 TIF#3 Projects	Est. \$	FY2021 TIF#3 Projects	Est. \$
IL Rt. 38 Downtown	\$500,000	IL Rt. 38 Downtown	\$1,500,000

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

Until December 31, 2021, TIF #1 funds can be “ported” into TIF #3 for private property rehabilitation or other purposes, but one has to be careful to make sure the overall fund balance projections and cash flows are taken into account.

Conservatively speaking, with the actual commitments and projections shown in the tables above for TIF #3 in FY2020, there is some “cushion” in the engineering and design allocation for the IL 38 downtown lane re-configuration project according to city engineer Zac Gill, but there is no other “give” in the FY2020 Budget. Now that some of the downtown engineering has been completed, it is more likely that this year’s total allocation for the IL 38 project

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will be about \$350,000. As a result, the remaining available balance in FY2020 in TIF #3 for private property rehab would be \$95,259 (as shown) plus \$150,000 for a total of \$245,259 pending Council direction.

The detailed Gehrke TIF request is \$529,000. This request does not include any land acquisition, but does include fencing (\$33,000), "General Conditions" (\$16,200), and removable IT connections (\$9,300) totaling \$58,500 which are not TIF-eligible. The TIF-eligible portions of the proposed rehabilitation total \$470,500.

What would be the impact of the proposed private property redevelopment? In terms of EAV, the calculation follows:

Full market value (last sale: 2008):	\$580,000.00
Pre-rehab EAV (Parcels A & B*):	\$151,864.00
Pre-rehab property taxes (@11.735/\$100 EAV):	\$ 17,821.00
Estimated market value after rehab:	\$660,000.00
Post-rehab EAV (1/3 market value):	\$220,000.00
Taxes Owing After Rehab (@\$11.735/\$100 EAV):	\$ 25,817.00
Projected additional tax increment over 20 yrs:	\$159,920.00
(\$25,817-\$17,821 x 20 = \$159,920)	

* Current EAV:	Parcel A:	0823302024	\$129,661.00
	Parcel B:	0823302013	\$ 22,203.00
	Total:		\$151,864.00

Other factors in the consideration of any TIF assistance would be the increase in full-time jobs (14, including 8 in the field and 6 in the office), and the intangible impact of a new business and the commercial and residential construction services it provides.

The City Manager recommends the Council's consideration of a forgivable TIF loan with a 20-year term in the amount of \$159,920. ([Click here for additional information](#))

2. Ordinance 2020-044 Authorizing an Amendment to the Special Use Permit Approved by Ordinance 2017-031 in Order to Extend the Timeframe for a Modular Classroom to Remain on the Site at 1121 School Street (Littlejohn Elementary School).

City Manager's Summary: The applicant, DeKalb Community School District #428, is requesting approval of a petition to amend the Special Use Permit approved by Ordinance 2017-031 to extend the time frame for a modular classroom to remain on the site at Littlejohn Elementary School (1121 School Street).

On July 10, 2017, the City Council approved Ordinance 2017-031 to allow for the addition of a modular classroom just to the west of the existing school

building. The Ordinance had a three-year time limit for the modular classroom to be on the site. In 2001, the City initially granted a special use permit to the School District for the placement of a modular classroom in the same general location. The modular classroom was removed in about 2011 and the School District desired to have a modular classroom placed back on the site in 2017. The school was constructed in 1954.

The Planning and Zoning Commission held a public hearing regarding the petition at their meeting on June 17, 2020. By a vote of 5 to 0 (Commission Members Buckley and Doe were absent) the Commission recommended City Council approval of an amendment to Ordinance 2017-031 to extend the time frame for a modular classroom to be located at 1121 School Street (Littlejohn Elementary School) as shown on the attached Exhibit A of the staff report, subject to the following condition:

The modular classroom may remain on the subject site in the location as shown on Exhibit A for no more than three (3) years of the date of approval of the Ordinance granting the amendment and shall, on or before said date, be removed from the property. At such time, the surface beneath the modular classroom shall be restored to a pre-installation, grassed condition.

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

M. REPORTS AND COMMUNICATIONS

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

N. EXECUTIVE SESSION

None.

O. ADJOURNMENT

[FULL AGENDA PACKET](#)

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