



## **DEKALB CITY COUNCIL AGENDA JULY 8, 2019**

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

### **COMMITTEE OF THE WHOLE 5:00 P.M.**

- A. CALL TO ORDER AND ROLL CALL**
- B. APPROVAL OF THE AGENDA**
- C. PUBLIC PARTICIPATION**
- D. CONSIDERATIONS**
  - 1. Presentation of the FY2018 Comprehensive Annual Financial Report, Audit Report, and Management Letter by Sikich, LLP.**

City Manager Summary: As Assistant City Manager Ray Munch reports in his background memorandum, Sikich, LLP (Sikich) has completed the City's annual financial audit and will present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2018. At the Council's Regular Meeting following the Committee of the Whole meeting, the City Council will be asked to receive and file the CAFR (Resolution 2019-111), as mandated by local ordinances and state statutes.

The FY2018 CAFR is attached for the public's review along with the Management Letter, which includes comments and suggestions from Sikich that are designed to assist in effecting improvements in internal controls and procedures for this audit. The transmittal letter, which can be found beginning on page iv of the CAFR document, provides an introduction to the report. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements the transmittal letter and should be read in conjunction with it.

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.

The City's management team assumes full responsibility for the completeness and reliability of the information contained in the CAFR, based upon a comprehensive framework of internal controls it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Sikich has issued an unmodified ("clean") opinion on the City's financial statements for the year ended December 31, 2018. Brian Lefevre, Partner at Sikich, will present an overview of the CAFR and field questions from the City Council as it relates to the financial audit and CAFR. ([Click here for further information](#))

## **2. Alulu Brewery Presentation (The House).**

City Manager Summary: A unique business is interested in purchasing and transforming the Smith Building where the House Café was formerly located at 263 E. Lincoln Highway. The purpose of this workshop item is to give the principals of that business an opportunity to present their vision to the City Council and the public, so they may more accurately judge whether the community is willing to support their entrepreneurial initiative.

The owner of the property, Fareed Haque, and Paul Heintz, the principal of Alulu Brewery and Pub of Chicago, have been in negotiation since last winter and approached the City in mid-March with the concept of converting the basement and first floor area of the Smith building into a brewery and pub. In recent weeks, the concept has expanded to include a roof top patio and serving area. The attached graphics portray the proposed uses.

Alulu Brewery was established in March 2017 at 2011 S. Laflin Street in Chicago and has been very successful as both a brewery of small batch beers and spirits, and as a restaurant and musical venue. Mr. Heintz and the firm's CFO, Derek Bly, plan to dedicate the basement area of the building to the brewery, and the first floor and roof areas to entertainment. The second floor, which presently contains a number of apartments, would be retained for residential purposes.

The overall remodeling costs are presently estimated at \$1.8 million, and the firm is requesting TIF assistance of about \$770,000 (42.8%). The firm is aware that all available TIF 1 funds have been committed in 2019, so they would be seeking City Council consideration of a future commitment beginning in 2020, with TIF funds ported from TIF 1 to TIF 3. A spreadsheet detailing present TIF commitments and all potential 2020 TIF commitments which have been considered in any fashion by the Council is attached.

Mr. Heintz and Mr. Bly will be on hand to present their proposal and to answer any questions. If the Council is generally supportive, a preliminary development

agreement can be drafted for Council review at an upcoming Council meeting.  
[\(Click here for further information\)](#)

**E. EXECUTIVE SESSION PURSUANT TO 5 ILCS (120/2)**

None.

**F. ADJOURNMENT**

**[FULL AGENDA PACKET](#)**

