



**DEKALB CITY COUNCIL AGENDA
REGULAR MEETING
NOVEMBER 28, 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 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 – NONE

E. PUBLIC PARTICIPATION

F. APPOINTMENTS – NONE

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 November 14, 2022.](#)

H. CONSENT AGENDA

1. [Accounts Payable and Payroll through November 28, in the Amount of \\$4,082,358.88.](#)

2. [Freedom of Information Act \(FOIA\) Report – October 2022.](#)

3. Municipal Compliance Reports for the Year Ended December 31, 2021.

a. [DeKalb Firefighters’ Pension Fund.](#)

b. [DeKalb Police Pension Fund.](#)

City Manager’s Summary: Annually, per state statute, the Fire and Police pension boards are required to file a report with the municipality on their most recently completed fiscal year. The attached reports contain excerpts from the annual financial statements as well as the annual actuarial valuations, including employee and City contributions to the pension funds for the subsequent year, investment returns, details on pension benefit

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

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amounts and census data, the funded ratios of the plans, and the individual fund investment policies.

I. PUBLIC HEARINGS

1. Public Hearing: Proposed FY2023 Budget. [\(Click Here for Public Hearing Notice\)](#)

City Manager's Summary: The Annual Budget for Fiscal Year 2023 extends from January 1, 2023, through December 31, 2023. The proposed budget document compiles the numerical and narrative budgets for each governmental, proprietary, and fiduciary fund in one volume for easy reading and reference. The planning and creation of the City's 2023 fiscal year budget has occurred as the City government and DeKalb community find themselves in the early stages of a recession. After a strong late-pandemic recovery from mid-2021 through the first months of 2022, aided by timely and dramatic steps taken by the City Council as the pandemic exploded in 2020, as well as significant federal aid in the form of 2020 Cares Act funding and the 2021 American Rescue Plan, enacted on March 11, 2021, the City government is again challenged by economic trends at the state, national, and international level. Perhaps the most difficult challenge is posed by the recent pace of inflation, which is currently about 8% higher overall on a year-on-year basis (and about 6.5% higher excluding food and fuel).

A. General Fund Revenue Assumptions

The City's General Fund is particularly worthy of attention as it supports the operating departments whose services our residents and businesses encounter most often in any given year. In FY2023, as in recent years, the City's general operations are funded by certain major revenue sources, which comprise about \$33.3 million, or 74%, of the total General Fund revenues. The following table highlights those revenues:

<u>MAJOR REVENUES:</u>	<u>COMMENT</u>	<u>FY 2021 ACTUAL</u>	<u>FY 2022 AMENDED BUDGET</u>	<u>FY 2022 PROJECTED ACTUAL</u>	<u>FY 2023 PROPOSED BUDGET</u>	<u>FY 2023 AMOUNT CHANGE</u>	<u>FY 2023 % CHANGE</u>	<u>% of TOTAL G.F. REVENUES</u>
<u>PROPERTY TAXES</u>								
PROPERTY TAX - FIRE PENSION	1	\$3,520,454	\$3,746,088	\$3,720,878	\$ 3,869,713	\$ 123,625	3.30%	8.57%
PROPERTY TAX - POLICE PENSION	1	2,912,595	3,099,229	3,124,439	3,249,417	\$ 150,188	4.85%	7.19%
<u>SALES & USE TAXES</u>								
STATE SALES TAX	2	6,205,962	5,824,413	6,289,658	6,017,000	192,587	3.31%	13.32%
HOME RULE SALES TAX	2	7,675,584	7,063,950	7,985,020	7,282,000	218,050	3.09%	16.12%
RESTAURANT & BAR TAX	2	2,156,649	1,953,382	2,255,160	2,200,000	246,618	12.63%	4.87%
<u>GROSS RECEIPTS TAXES</u>								
MUNICIPAL UTILITY TAX	3	2,528,658	2,735,404	2,459,725	2,535,000	(200,404)	-7.33%	5.61%
<u>INTERGOVERNMENTAL</u>								
FEDERAL GRANTS - ARPA	4	1,511,017	1,837,285	1,997,435	1,837,285	0	0.00%	4.07%
STATE INCOME TAX	5	5,787,319	5,109,569	6,365,820	6,285,240	1,175,671	23.01%	13.91%
TOTAL MAJOR GENERAL FUND REVENUES					\$33,275,655			73.66%
OTHER SOURCES					11,900,649			26.34%
TOTAL GENERAL FUND REVENUES					\$45,176,304			100.00%

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A number of assumptions inform the table above:

1. Both Police and Fire Pension property tax levies are predicated on a 4.0% increase; a 4.95% increase was used in 2022. The property tax is used to fund a portion of the annual police and fire pension contribution. At this levy amount, the property tax would fund about 80.6% of the annual FY2023 required contribution, and the remaining amount (roughly \$1.72 million) would need to come from other General Fund sources (see "Pensions," below).
2. Estimates for the state-shared (1%) and 1.75% home rule sales taxes were based on the last 4-year average revenues (excluding the 2020 "COVID" year), with a 3.0% increase applied. The effect of known major business closures was reviewed and determined not to have a significant impact on the revenues. New businesses that have arisen, including those in the downtown area, or those soon to open have been added to the estimates.

Similarly, restaurant and bar taxes which are directly attributable to these new ventures have been adjusted up from the preliminary estimates. The 2023 budget is \$2.2 million, which is 12.63% higher than the FY 2022 budget but still about \$55,000 less than FY2022 year-end projections.

The volatile inflationary environment, the highest in 40 years, can be seen throughout Illinois and the country and deserves consideration, as well as the unknown impact this will have on discretionary spending, particularly if the region enters a significant recession (and some prognosticators believe we are well on that track).

In summary, the FY 2023 budget for these categories has been increased from the FY2022 budget but remains conservatively less than the FY2022 projected actual amounts.

3. Municipal utility tax includes electric (ComEd) and gas (Nicor) tax receipts. The tax is charged based on kilowatt hours (electric) and therms (gas). The estimated 2023 revenues were based on the monthly averages for the past 5 years, excluding the inflationary increases of 2022. It should be noted that extraordinary utility tax receipts from Meta buildings yet to be fully energized will remain uncertain until later in 2023, but an impact is included in the 2024 projections.
4. American Rescue Plan Act (ARPA) grant revenue continues to offset the cost of re-hiring previously frozen positions in the General Fund. ARPA monies have also been spent in the ARPA Fund 110 in relation to the Hunter Hillcrest purchase, tenant relocations, and demolition work, and in the Water Capital Fund 620 on lead service line replacements. Within the General Fund, twenty-one (21) fire, police and public works employees' salaries and benefits are being funded by this grant. This is budgeted to continue into 2023 at about \$1.8 million and 2024 at \$1.0 million, which will be the final year.
5. State income tax is allocated on a per capita basis by the State of Illinois. The population used in 2021 was 44,030, which dropped to 40,290 (-8.49%) in 2022 and is the basis for the 2022 projected amounts and 2023 preliminary budget. The Illinois Municipal League's per capita estimates are \$158.00 (2022 calendar fiscal year) and \$151.00 (2023 calendar fiscal year).

B. General Fund Expenditure Assumptions

The \$45,176,304 in anticipated General Fund revenues summarized above will more than balance the projected General Fund expenditures of \$43,789,570. A number of personnel changes are included in the proposed FY2023 General Fund Budget. If approved, personnel expenses including pension and health care costs will comprise 82% of all General Fund spending. The specific personnel changes recommended in the proposed FY2023 Budget are detailed below:

1. City Manager’s Office: The Assistant to the City Manager position has been deleted and a new “Director of Crime-Free Housing” position has been added. The new, full-time Director of Crime-Free Housing will report directly to the City Manager and will work with the approximately 1200 local landlords to address a worrisome rise in weapons-related offenses and other unlawful activity in local rental housing.
2. Human Resources: A new full-time position, “H.R. Coordinator,” has been added and the part-time Administrative Assistant position has been deleted. This change will help the department staff (3.5 FTE) better serve its principal customers: the full-time and retired employees that rely on City-funded health and workers comp programs, and pensions. The department must also address the expanding, mandated training requirements of new employees.
3. Community Development: One unfilled building inspector position will be deleted.
4. Fire: One full-time firefighter/paramedic position will “fill” one shift which has been short-handed and must regularly round-out its minimum shift strength with call-backs on over-time. In addition, a second, full-time Administrative Assistant is added to assist with mounting reporting requirements.
5. Police: Five (5) sworn officers are added. Two will restore shift strength diminished in FY2022 to provide two new School Resource Officers at the request of CUSD #428. Three additional hires will augment the Patrol division’s numbers to address expanded call volume. Additionally, three (3) new telecommunicators will bring the total to 16. Further, one commander position will be removed to offset the cost associated with the appointment of the Director of Crime-Free Housing.
6. Public Works: One new full-time maintenance position and one part-time seasonal position will be added.

The General Fund personnel changes are reflected in the table below:

FY2023 Personnel Changes				
Department	2023 FT	Change	2023 PT	Change
City Manager’s Office	5	+1 / -1 = net 0	-	n/a
Human Resources	3	+ 1	1	- 1
Comm Dev – Building/Code	5	- 1	-	n/a
Fire	64	+ 2	-	- 1
Police	91	+8 / -1 = net 7	9	-1
Public Works – Streets	17	+1	1	n/a
Public Works – Support Services	3	n/a	5	+1
TOTAL CHANGES TO BUDGET		+ 10 FT		- 2 PT

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From an operational standpoint, the total FY 2023 City-wide personnel budget, including salaries and benefits, is estimated to be \$39,158,331; the General Fund portion of this is \$36,019,483. The FY 2022 General Fund personnel budget was \$32,791,667. This represents an increase of \$3,227,816 or 9.87%, inclusive of pension increases, 2.5% COLA increases, and a significant increase in Police department staffing to address a measurable rise in unlawful activity in our public schools and rental housing.

The Staffing Plan embedded in the FY2023 General Fund Budget is depicted in the chart below:

Department	2019		2020		2021		2022		2023	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
City Manager's Office	6	1	5	1	5	1	5	1	5	0
Human Resources	2	1	2	1	1	2	2	2	3	1
Finance Department	6	2	5	2	5	0	6	0	6	0
Information Technology	4	0	3	1	3	1	3	1	3	1
Police Department	80	14	80	16	81	19	84	10	91	9
Fire Department	57	1	57	0	54	1	62	1	64	0
Public Works Department	34	18	33	18	31	11	35	17	36	18
Community Development	8	6	7	1	7	0	8	0	7	0
Total	197	43	192	40	187	35	205	32	215	29
FTE	218.5		212		204.5		221		229	

C. General Fund Forecasting

1. Pensions

As reported repeatedly and with growing concern in Budget transmittals and Finance Advisory Committee agendas since 2018, the more ambiguous side of the General Fund's personnel expenditures relates to projections of City pension contributions.

- a. **IMRF.** The Illinois Municipal Retirement Fund (IMRF) uses an open or rolling amortization method and is now using a 15-year amortization period. IMRF has a 100% target for the funding of obligations and the overall fund is actually more than 100% funded at present. As with the conventional mortgage system, IMRF aims for a level dollar approach, and refunds its assets periodically to take advantage of more favorable market conditions. This means that there is no arbitrary, statutory date at which its participants must be fully funded, and the annual amortization payment becomes a smaller percentage of payroll over time. Currently, 86 City employees participate in IMRF and in 2022 the City's contribution rate was 12.29% of the covered salaries. For 2023, the tentative IMRF rate will drop to 8.71% and the total City contribution will be about \$612,000.
- b. **Downstate Fire and Police Pensions.** These pensions are part of a different, closed amortization system. Under the Illinois Pension Code, the Illinois Department of Insurance annually defines actuarial required contributions which include a "normal" cost (based on mortality tables, investment returns, beneficiary longevity, etc.) plus an amount sufficient to steadily bring the total assets of a pension fund up to 90% of the total actuarial liabilities of the fund by the end of the 2040 fiscal year, even though the fund will obviously be needed indefinitely into the future. As the arbitrary 90% funding date of 2040 approaches, the annual funding obligation increases independent of normal cost calculations. The downstate pension funding method is akin to paying the minimum

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amount of one's credit card (i.e., an increasing interest cost plus the dollars one can afford). In this system, if payroll increases the municipality is hard-pressed to keep pace with the ever-increasing annual dollar impact to reach the 90% threshold at the arbitrary due date.

For DeKalb's Police officers, the City will contribute a fixed dollar amount of \$3,901,382 in 2023. This is based on the demographics of 61 active officers and an uneven investment performance as of 12/31/2021. On a percentage of salary basis, the City's contribution works out to 66.3% of the total wage and salary costs for active sworn officers (including Commanders who contribute to the Police Pension Fund).

For DeKalb's Firefighters, the City will contribute a fixed dollar amount of \$4,933,015 in 2023. This is based on demographics of 52 active Firefighters and an uneven investment performance as of 12/31/2021. On a percentage of salary basis, the City's contribution equates to 96.6% of the total wage and salary costs of active firefighters (including Fire management who contribute to the Fire Pension Fund).

Finally, the growing funding demands of the City's Fire and Police pensions under the current downstate system annually consume all the City's annual property tax revenues and further demand an increasing, supplemental contribution of City sales and use tax revenues on an annual basis. The table below illustrates this growing trend:

Fiscal Year		Actuarial Required Contribution	City's Adopted Tax Levy	Shortfall \$	Shortfall %
2019	Fire Pension	\$3,503,332	\$3,220,517	\$282,815	8.07%
	Police Pension	\$3,079,438	\$2,796,623	\$282,815	9.18%
	Total	\$6,582,770	\$6,017,140	\$565,630	8.59%
2020	Fire Pension	\$3,951,651	\$3,322,914	\$628,737	15.91%
	Police Pension	\$3,446,287	\$2,946,735	\$499,552	14.50%
	Total	\$7,397,938	\$6,269,649	\$1,128,289	15.25%
	<i>increase over PY</i>	<i>12.38%</i>	<i>4.20%</i>		
2021	Fire Pension	\$4,282,230	\$3,569,403	\$712,827	16.65%
	Police Pension	\$3,614,881	\$2,953,053	\$661,828	18.31%
	Total	\$7,897,111	\$6,522,456	\$1,374,655	17.41%
	<i>increase over PY</i>	<i>6.75%</i>	<i>4.03%</i>		
2022	Fire Pension	\$4,415,632	\$3,720,878	\$694,754	15.73%
	Police Pension	\$3,707,827	\$3,124,439	\$583,388	15.73%
	Total	\$8,123,459	\$6,845,317	\$1,278,142	15.73%
	<i>increase over PY</i>	<i>2.87%</i>	<i>4.95%</i>		
2023	Fire Pension	\$4,933,015	\$3,869,713	\$1,063,302	21.55%
	Police Pension	\$3,901,382	\$3,249,417	\$651,965	16.71%
	Total	\$8,834,397	\$7,119,130	\$1,715,267	19.42%
	<i>increase over PY</i>	<i>8.75%</i>	<i>4.00%</i>		

The community's wealth as represented by its equalized assessed valuation has grown from \$585,726,839 in 2019 to an estimated \$780,000,000 in 2022 (+\$194,273,161 or 33.2%). This growth would arguably permit the City to cover at least its annual pension contributions from

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its annual property tax levy. However, local taxing bodies (including the City) stretched DeKalb's combined or aggregate property tax rate in the 2000s to a point that is roughly 20% higher than that of other regional municipalities competing for economic development (e.g., Sycamore, Geneva, St. Charles, Batavia, North Aurora, South Elgin). As a result, careful planning with respect to annual levy decisions must be undertaken to assure that the aggregate property tax rate decreases for some years to come. In this context, the City must constrain its levy determinations and assume some of the burden that would otherwise fall on local homeowners as well as new and existing businesses. Such an approach defers the fiscal "development benefit" for the City government.

D. Capital Funds

In the preparation of the FY2022-2024 City Financial Plan last winter, the City Council and staff also wrestled with a structural problem outside the City's general operating fund: the lack of substantial recurring capital revenues to fund the maintenance of the City's infrastructure. The City of DeKalb is not alone in this challenge. Overall public investment in transportation declined from 2.3 percent of Gross Domestic Product (GDP) in the 1960s to about 1.7 percent in 2018. A 2017 report card from the American Society of Civil Engineers estimated that American cities experienced 240,000 water main breaks a year (DeKalb has an average of 50-60) wasting more than 2 trillion gallons of treated water. Four in ten of the country's 625,000 bridges are more than fifty years old and one in nine is structurally deficient.

Street Maintenance

In the City of DeKalb, the report card has slightly improved in terms of streets since the bold and controversial increase in home rule motor fuel taxes on November 25, 2019 (Ordinance 2019-077). In March 2008 the City of DeKalb established a local motor fuel tax on gallons of fuel pumped at motor fuel retailers within the City's corporate limits for the purpose of funding road maintenance. In late 2019, the rate was increased from five and one-half cents (\$0.055) per gallon or fraction thereof to nine and one-half cents per gallon (\$0.095). At that time, the City Council and Finance Advisory Committee jointly agreed that additional annual dedicated revenue was necessary to address serious deficiencies in the condition of the City's streets and alleys, as well as the declining and critical condition of much of the City's fleet of Police, Fire and Public Works vehicles, in particular. Since 2019, the local fuel tax rate has been split between road expenditures (7 cents), airport expenditures (1.5 cents), and vehicle replacement (1 cent). For these purposes, the local fuel tax is not the only source of revenue, but it is the largest recurring source of general revenue. IDOT grant support has been critical in upgrading streets and intersections in prime development areas since 2019 and will be critical in the reconstruction of the North First Street and Lucinda Avenue bridges in 2022-2023, but such state grants are by no means guaranteed going forward.

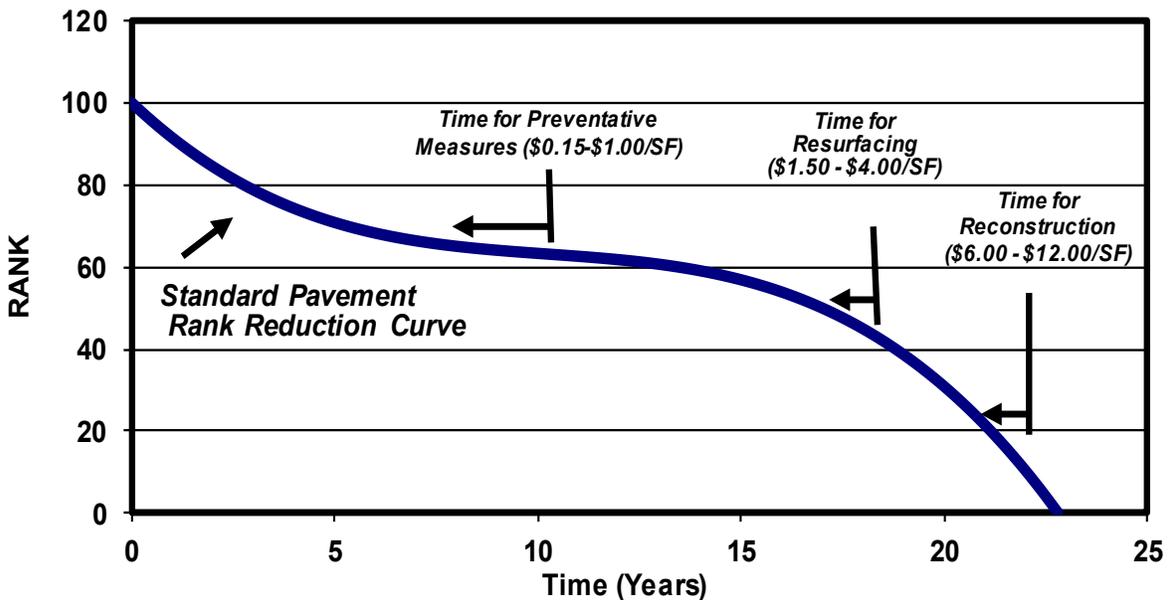
The 19-cent increase in the state motor fuel tax revenue that took place in 2020 is restricted by state statute for road and bridge repairs, and such ancillary costs as salt and street lighting. This funding increase has also helped in building the City's annual street maintenance war chest. In 2017-2018, the annual allocation was stuck on about \$750,000. According to the research in the City's 2018-2022 Plan, the spending for street maintenance had averaged \$860,000 for the previous 25 years. The annual spending for street maintenance is now about \$2.592 million in combined state MFT (Fund 210) and local MFT (Fund 400) monies, and the average annual street maintenance budget needed to maintain a passable pavement condition index (PCI) at a rating above 70 is about \$2.6 million over the next five years.

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Despite the more aggressive and strategic allocation of street maintenance funding for the upgrade of key City arterials and residential collector streets in 2019, 2020, 2021 and 2022 (e.g., North and South First Street, North and South Seventh Street, West Taylor Street, E. Lincoln Highway from First to Fourth Streets, N. Thirteenth Street, and N. Fourteenth Street), the City’s many residential road miles continue to steadily deteriorate. Additionally, street-related costs such as sidewalk repairs and alley improvements have a very modest fiscal floor under them.

The City of DeKalb generally adheres to a pavement management system periodically updated by the City to assist in the planning for annual road maintenance allocations. There are divergent opinions within and outside the civil engineering profession about when repairs may be needed, but there is a general consensus around the notion that it is far less expensive to maintain a road in fairly good condition than to restore a road which has deteriorated beyond repair. The City Engineer annually considers a range of preventative measures (e.g., crack-filling) that can extend the life of our local roads. The City Engineer is also charged with weighing and balancing needed repairs against known resources. The following graph depicts thresholds generally considered to be predictive of future repair costs:



The average of about \$2.6 million that is now annually allocated for street maintenance will address major residential collectors. These collectors were falling short of the PCI rating of “fair” (70) in 2018 and have deteriorated since. The City of DeKalb will benefit from a new rating survey funded by the county-wide metropolitan planning authority – the DeKalb-Sycamore Area Transportation Study or “DSATS” – in 2023. DSATS annually receives and distributes federal transportation funds based on strategic five-year plans and incremental one-year operating plans approved by a collaborative of DeKalb, Sycamore, Cortland, NIU, and IDOT officials that meet monthly either in working committees or plenary session. DeKalb has three representatives (the Mayor, City Manager, and Transit Coordinator). The City Engineer serves on the DSATS technical committees.

The street maintenance scenarios in the following table were presented as options to the City Council in 2018. Scenario No. 5 was selected as the most reachable goal, although requiring aggressive spending which was not then, or now, within the City’s fiscal grasp. Scenario No.

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8 assumes annual street maintenance spending of about \$2.6 million, *not including the additional \$500,000 + for annual de-icing materials, street lighting, and traffic signal repairs.*

Scenario No. 8 in the following chart was chosen by the City Council in the spring of 2022.

	Scenario Description	Average Annual Street Maintenance Expenditures	Avg. PCI @ 5Yrs	Avg. PCI @ 10Yrs
1	Maintain the current rank of 78*	\$7,052,400	78	71
2	Maintain the rank at 70	\$7,021,300	76	70
3	Increase rank to 80**	\$6,931,500	79	71
4	Maintain current spending amount (\$1.2M + engineering)	\$1,403,200	70	59
5	Resurface entire system over 20 years (\$29.28/SY)	\$3,830,300	72	63
6	Double amount in Scenario 5/Year 1, then split the remaining costs over 19 yrs.	\$3,940,800	73	64
7	Maintain the rank at 65	\$4,622,400	73	65
8	Spend \$2.5M per year	\$2,587,100	71	61

N.B.: The scenarios in the table above were run with only a 3”/3” resurfacing spec. No reconstruction option was included.

* Not achievable at 10 years without reconstruction. Estimate \$13 million including reconstruction.

** Not achievable at five years without reconstruction. Estimate \$13.5 million including reconstruction.

For FY2023, the City Council intends to meet the spending parameters associated with Scenario No. 8, above. Fund 210 allocations should collectively meet this \$2.6 million target. The City is still hopeful that it’s reported share of federal funding under the Infrastructure Investment and Jobs Act of 2022 will be realized. If so, an additional \$948,850 may be available for street upgrades.

Fleet Maintenance

The absence of adequate, recurring annual funds for fleet replacement is another challenge in FY2023 and beyond. The 2019 dedication of 1 cent per gallon in local motor fuel taxes for fleet maintenance has slightly reduced the average age of the overall City fleet of about 175 units of varying description, but more than one-third of the City’s vehicles have reached industry replacement thresholds. Replacing the vehicles rated in declining or critical condition would currently cost about \$4 million.

Of the general capital funds, Fund 420 and its balance will be under the most pressure in FY2023. The FY2022-2024 Financial Plan pegged the annual shortfall for fleet replacement at about \$215,000 and that sober prediction remains in line with the actual FY2022 budget experience to date. New vehicle and upfitting charges have dramatically risen and a number of older Police squads and Public Works vehicles have been permanently taken out of service. Fund 130 which embodies the Ground Emergency Medical Transportation (GEMT) program has provided relief to Fund 420 with respect to the replacement of Fire vehicles and other Fire Department capital needs. The GEMT fund receives gap funding from the State of Illinois for the difference between what the City might receive in Medicaid funds for ambulance transports and the actual cost of ambulance service. The Fund has recently provided critical funding for the Fire Department’s vehicle needs. In FY2022 the City was

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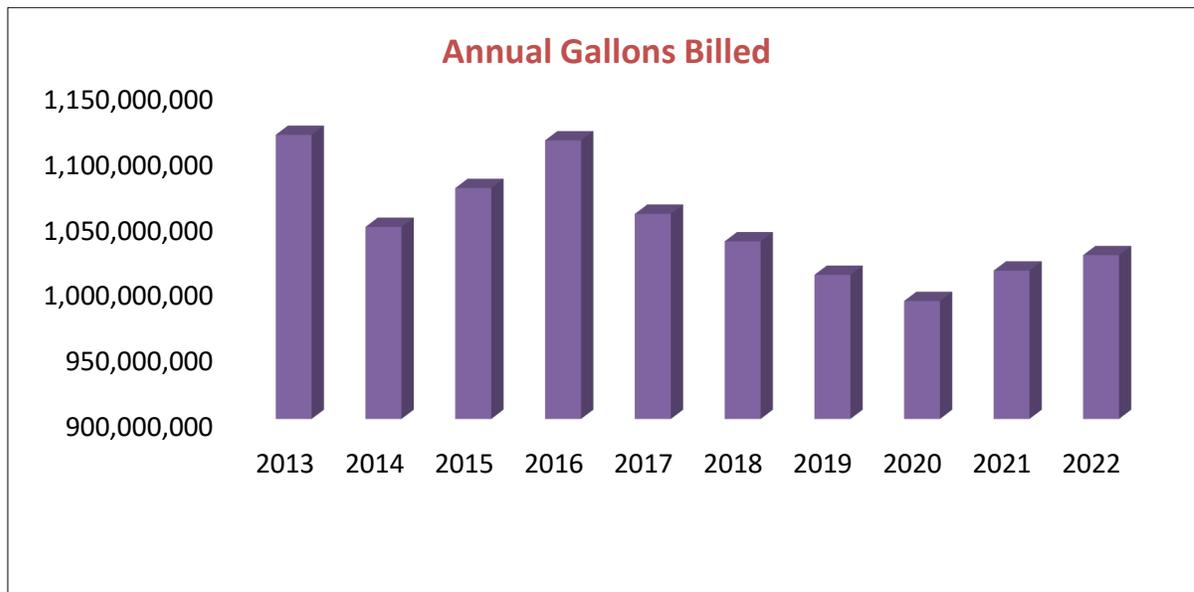
able to replace one fire engine and in FY2023 the City plans to receive a second replacement engine. Additionally, in FY2023 the GEMT Fund will finance several staff vehicles.

The Police and Public Works departments largely rely upon the one cent per gallon added to the local fuel tax in 2019, which will only raise about \$120,000 in FY2023, roughly flat in comparison with the FY2022 projections. Other significant sources of annual revenue in Fund 420 consist of lease payments from telecommunication companies with antennae on City water towers (“Rental Income” of about \$179,000) and the expected receipt of about \$200,000 from one or several cannabis dispensaries.

E. Water Fund

The primary source of funding for the Water Operations Fund (Fund 600) and Water Capital Fund (Fund 620) is water sales, accounting for over 95% of the total revenue to these two funds. The Water Department experienced a projected increase in water sales of 1.5% in 2022 over the prior year. This is the second year in a row that water sales have increased; water sales had decreased an average of 1.5% annually over the previous 10 years. Water use is expected to modestly increase over the next few years because of new developments such as the Ferrara, Meta, Amazon and Project Wildcat facilities as well as additional water demands from newer residential facilities (e.g., Plaza DeKalb, Isaac Suites, Home2Suites, Agora Towers, and Johann Suites).

The following table depicts the number of gallons billed to DeKalb residents annually over the past 10 years (*Note: 2022 water sales are projected based on sales-to-date*):



In 2016, the City Council adopted a long-term policy to provide adequate funding to upgrade the existing water infrastructure including water mains, treatment facilities, and water towers. The Council agreed to dedicate one-third of the funds derived from any water rate increase to general operating demands met by the Water Operating Fund (Fund 600), and two-thirds of the funds derived from any water rate increase to the capital projects financed by the Water Capital Fund (Fund 620). On April 25, 2022, the City Council increased water user fees by 3.5% despite the higher reported inflation rate. This increase put DeKalb’s rate at \$39.67 per 6,000 gallons, which is substantially below the rate of other comparable cities in northern Illinois, as shown in the table below:

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

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Current Water Rate Comparison	
Municipality	Total Avg Monthly Water Cost per 6,000 gallons
Geneva	\$54.62
Elburn	\$49.49
Maple Park	\$48.28
Sycamore	\$41.98
DeKalb	\$39.67*
St. Charles	\$38.41**
Genoa	\$34.10
Cortland	\$32.50

*DeKalb's monthly water rate with a proposed 3.5% rate increase

**The City of St. Charles does not include "summer user rates" which are 71% higher.

F. Conclusion

The preparation of the annual City Budget involves many authors. The City Manager is especially grateful to Finance Director Carrie Dittman for her unselfish dedication, detailed data collection, analysis, and projections. Human Resource Director Michelle Anderson was particularly helpful in her guidance on personnel matters and cost projections for essential City benefits. Executive Assistant Ruth Scott was remarkable as always for her responsive and unselfish service. All City department heads and directors are commended for their numerical forecasting and narratives. As in any fiscal year, the overall City staff assistance has been indispensable. It is the executive team's shared hope that the 2023 City Budget will be a reliable guide to the City's services in 2023.

J. CONSIDERATIONS

1. Consideration of Possible Uses for the Remaining American Rescue Plan Act (ARPA) Fund Monies.

City Manager's Summary: The Council's consideration of ARPA grant requests from the Egyptian Theatre and Stagecoach Players on October 24 prompted some interest in identifying and prioritizing the uses that the Council might fund from the remaining ARPA fund balance. The table that follows compresses a lot of financial information into broad categories that generally tells the tale of where the ARPA funds have been spent to date, and where they are committed for the balance of FY2023 and FY2024.

ARPA Grant Award: \$10,422,054					
	FY21	FY22	FY23	FY24	Total
Project					
Public Safety Re-Hires	\$1,511,017	\$1,997,435	\$1,837,285	\$1,019,023	\$6,364,760
Lead Service Replacement		\$500,000	\$500,000		\$1,000,000
Purchase and Demo of Hunter Hillcrest	\$1,148,164	\$382,720			\$1,530,884
Tenant Relocation	\$50,981	\$77,544			\$128,525
Other Units of Government (Park District KWRD)	\$291,644				\$291,644
Edgebrook Dr. Reconfiguration		\$222,000			\$222,000
Kimberly Drive Reconfiguration (est.)			\$250,000		\$250,000
Annie Glidden Road Sidewalk		\$60,000			\$60,000
Grove St. Bikeway; Fairview Calming		\$225,000			\$225,000
Total	\$3,001,806	\$3,464,699	\$2,587,285	\$1,019,023	\$10,072,813
Balance					\$349,241
Includes \$28,771 in retainage paid out in late October.					

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For the uncommitted ARPA dollars, the following uses have been identified to date:

▪ Egyptian Theatre	\$ 75,000
▪ Stagecoach Players	\$ 25,000
▪ Re-Paving Greenbrier Road	\$250,000
▪ Incentivize Community Center in AGN	\$100,000
▪ Upgrade Transit stops in AGN	\$ 50,000
▪ Upgrade Street Lighting and Cameras in AGN	<u>\$100,000</u>
▪ <u>Glidden Homestead Barn Roof Repair</u>	<u>\$ 50,000</u>

Total: \$650,000

City Council direction is requested.

K. RESOLUTIONS

- 1. Resolution 2022-110 Authorizing the Purchase and Equipping of One Ford Expedition and One Ford Explorer through Morrow Brothers Ford for the DeKalb Fire Department in an Amount Not to Exceed \$121,870 Using Ground Emergency Medical Transportation (GEMT) Funding (Fund 130).**

City Manager's Summary: As Fire Chief Mike Thomas writes in his background memorandum, the proposed FY2023 GEMT Fund Budget (Fund 130) includes an allocation for two up-fitted staff vehicles to replace a 2007 Tahoe and a 2016 Ford staff vehicle. The 2016 Ford would become a reserve vehicle used by recall personnel during fire incidents.

Specifically, the Fire Department is requesting the purchase of one 2023 Ford Expedition and one 2023 Ford Explorer to be received in FY2023, and at a price savings if a contract is entered before the end of the 2022 calendar year.

The proposed contract is with Morrow Brothers Ford of Greenfield, Illinois to provide both vehicles (see attached exhibits). Morrow Brothers provides vehicles as a qualified vendor under the Illinois State Purchasing Contract and has provided good service with economical pricing in the replacement of Police Department vehicles over recent years.

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

- 2. Resolution 2022-111 Authorizing the Waiver of Competitive Bidding and Awarding the Purchase of One Rosenbauer King Cobra 101 Foot Platform Truck in an Amount Not to Exceed \$1,600,000 Using Ground Emergency Medical Transportation (GEMT) Funding (Fund 130).**

City Manager's Summary: The Council has seriously addressed funding challenges posed by increasing street maintenance and fleet maintenance needs since 2019. But for the collaborative support of DeKalb IAFF Local 1236 in securing the City's participation in the federal Ground Emergency Medical Transportation (GEMT) program in late 2020, the possibility of funding a replacement platform truck would not make a Council agenda. The cost of such a significant emergency vehicle is so substantial and the recurring sources of capital dollars for fleet maintenance are so slim that a replacement could otherwise only come from an equally substantial reduction or deferral of other departmental vehicle replacements over a period of years. The GEMT fund receives "gap" funding between what the City might otherwise receive in Medicaid reimbursements for ambulance transports, and the actual cost of the ambulance service. Specifically, the federal funds cover the difference

between the average Medicaid recovery payment to the City of \$211 and the average actual cost of about \$1,879. In FY2022, the GEMT Fund is projected to receive about \$1.5 million in GEMT funds.

In FY2022 and FY2023 the GEMT fund (Fund 130) has been instrumental in the City's commitment to two replacement fire engines and a new SCBA system, in addition to the replacement staff vehicles described in the previous Agenda item. The proposed purchase – which would not occur until 2024 – is a 101-foot Rosenbauer King Cobra articulating platform truck which would replace the Department's 1990 Grumman aerial Cat ("Big John"). The Department also has a 2008 Pierce Quantum Aerial Tower (purchased used), but its consistent maintenance needs are undermining its reliability at a time when the City is seeing an increasing number of high and very large distribution and data center buildings with heights and parapet areas beyond the reach of conventional ladders.

The Rosenbauer platform truck also has an articulating boom which will be described in a brief video at the November 28 Council meeting. After many years of design and an equal number of years of field development, this model can reach over parapets on high buildings or downward into lower emergency locations to allow for the more efficient and timely removal and treatment of victims, and the safer positioning of firefighters.

In the projected FY2024 GEMT budget, there would be sufficient funds to purchase and outfit a new platform truck that does not exceed \$1.6 million. If a contract is entered before December 1, 2022, the City will save \$65,583.

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

3. Resolution 2022-112 Authorizing an Intergovernmental Agreement for Participation in the Mutual Aid Box Alarm System (MABAS).

City Manager's Summary: The Fire Department has belonged to the Mutual Aid Box Alarm System (MABAS) in Illinois since its inception in 1968. The attached agreement enables the City of DeKalb to leverage the collective resources of other Illinois municipalities in the event of evolving emergencies, disasters, or other serious threats to public safety.

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

4. Resolution 2022-113 Authorizing an Intergovernmental Agreement with the State of Illinois Toll Highway Authority for Emergency Protection Provided by the DeKalb Fire Department to the Illinois Tollway (I-88) Between Milepost 87.6 and Milepost 101.5 in the Eastbound and Westbound Directions.

City Manager's Summary: The Fire Department currently provides emergency protection to motorists and workers on the Illinois Tollway (I-88) between milepost 87.6 and milepost 101.5 in the eastbound and westbound directions, respectively. The Illinois State Toll Highway Authority and the City of DeKalb currently have an Intergovernmental agreement in place (executed in 1995) that allows the department to request reimbursement for a portion of the costs the department incurs in connection with the responses to calls on the tollway.

The Illinois Toll Highway Authority has recently updated their fee schedule, resulting in a new intergovernmental agreement (see the attached exhibit). **City Council approval of the new agreement is recommended.** ([click here for additional information](#))

5. Resolution 2022-114 Approving a Bar/Restaurant Liquor License for Class Six LLC, 214 E. Lincoln Highway.

City Manager's Summary: Class Six LLC, d/b/a Class Six, has submitted an application for a Bar/Restaurant liquor license with a supplemental Tasting Permit. The establishment will be located at 214 E. Lincoln Highway and the owner, Tom Sherman, will be working with the City's Building Department on any necessary building improvements. If the liquor license is approved, the City will receive an initial issuance fee of \$10,766. There is no fee for the Tasting Permit.

The establishment, which will primarily be a wine bar with food choices including charcuterie boards, is tentatively scheduled to open in early 2023. Mr. Sherman is seeking a City liquor license at this time in order to begin the process of applying for the State of Illinois liquor license. He has been made aware that the City liquor license will remain conditional until all inspections are passed and other requirements, as listed in the attached resolution, are met.

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

6. Resolution 2022-115 Approving a Retail Tobacco Store License for Syrian Nights Hookah Lounge LLC, 811 W. Lincoln Highway.

City Manager's Summary: Abdulrahman Najem has submitted an application for a retail tobacco store at 811 W. Lincoln Highway to be known as Syrian Nights Hookah Lounge.

Retail tobacco stores require a special use permit in the "GC" General Commercial District. Article 19.05.3 of the Unified Development Ordinance (UDO) states if a non-conforming use of a building is discontinued for more than six months, then the building can only be used per the underlying zoning ("GC" District). This location was previously occupied by Aroma's Hookah Bar, which closed in October of this year. Since the new hookah lounge will be established within six months from the closing of Aroma's, it is a permitted use, and no special use permit is needed. If the license is approved, the City will receive an initial issuance fee of \$3,735.

City Council approval is recommended, subject to the conditions outlined in the resolution. ([click here for additional information](#))

7. Resolution 2022-116 Appropriating Motor Fuel Tax (MFT) Funds in the Amount of \$3,149,000 for Maintaining Various Streets and Highways Under the Applicable Provisions of the Illinois Highway Code (Section 23-00000-00-GM) from January 1, 2023, through December 31, 2023.

City Manager's Summary: The Illinois Department of Transportation (IDOT) requires municipalities to pass a resolution estimating total expenditures of state Motor Fuel Tax (MFT) funds for general street maintenance for the upcoming fiscal year. The City staff have estimated this value at \$3,149,000 for road salt, engineering services, electricity for streetlights and traffic signals, and street resurfacing. The table below summarizes the anticipated MFT expenditures budgeted for 2023.

Operation	Estimated Costs
Road Salt	\$283,000
Engineering Services	\$200,000
Electricity – Street Lights and Traffic Signals	\$333,000
Street Supplies	\$133,000
Street Resurfacing	\$2,200,000
Total	\$3,149,000

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The City's street maintenance program uses other sources as well and will approach \$2.5-3.0 million again this year, but the specific allocation of Illinois MFT funds is pegged at \$2.2 million.

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

8. Resolution 2022-117 Authorizing an Agreement for Preliminary Engineering Services with Fehr Graham & Associates, LLC for the 2023 General Street Maintenance Program, in an Amount Not to Exceed \$55,500.

City Manager's Summary: The annual street maintenance program involves many hours of design and field measurements before the public sees and experiences the actual work of the contractor crews in the warmer months of the year. For the FY2023 program, City Engineer Zac Gill has recommended a contract with Fehr Graham to perform such design work, and to also perform the daily construction inspections and oversight. In the proposed FY2023 Budget, Public Works had estimated \$200,000 for total engineering services from the MFT Fund (Fund 210) to cover these professional service costs. Approximately \$55,500 will cover design and letting services for approximately \$2.2 million in conventional street maintenance construction (not including Peace Road improvements, etc.), with a subsequent agreement for day-to-day construction engineering after project bidding of approximately \$145,500.

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

9. Resolution 2022-118 Authorizing Five Farm Lease Agreements for 370.6 Acres of Land at the DeKalb Taylor Municipal Airport for a Period Not to Exceed 36 Months.

City Manager's Summary: The current multi-year leases pertaining to farmland around the DeKalb Taylor Municipal Airport expire on December 15. An Invitation for Bids with a sealed bid submission date of Friday, October 14 was published on the City's website on September 30, and the Public Notice was published locally through a Shaw Media newspaper ad on September 30.

Four sealed bids for the 314 farm acres were received by the deadline as detailed in the table below. The bid opening was held on October 14 at 2:00 p.m. at the DeKalb Taylor Municipal Airport. The bid opening was supervised by Renee Riani, Airport Manager, and witnessed by Benjamin Trompeter, DeKalb Flight Center Line Service Technician. The bid opening was attended by Donald Halverson and Jenna Halverson. The per-acre bid results were as listed below:

Bid #	Bidder	\$/Acre	Total Bid/Year
1	Halverson Farms	\$235.50	\$73,947.00
2	Faivre Brothers LLC	\$262.50	\$82,425.00
3	Durand Pigott	\$175.00	\$54,950.00
4	Northern Tier Farm Partnership	\$382.165	\$119,999.81

The top bid was received from Northern Tier Farm Partnership at \$382.165 per acre for a total of \$119,999.81 per year for three years.

The bid documents also identified four smaller parcels of land that provide continuous farming to offset the fact that the Airport parcels are irregular in shape. The leaseholders of the smaller, irregular parcels typically pay the top bid price received for the larger farm

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parcels. These leaseholders were contacted, and all accepted the per-acre lease rate for the larger farms. The smaller leaseholders include Thomas Weishaar of Weishaar Farms (7.3 acres), the DeKalb Community Unit School District #428 (FFA program 20.3 acres), Larson Grain Farms (5.5 acres), and Diehl Farms LLC (14.5 acres). By a long-term arrangement, the DeKalb Community Unit School District's lease rate is half of the bid price per acre, to support local educational opportunities.

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

L. ORDINANCES – SECOND READING

1. Ordinance 2022-061 Authorizing the 2022 Levy and 2023 Collection of Taxes in and for the Corporate and Municipal Purposes and Special Service Areas of the City of DeKalb for Tax Year 2022.

City Manager's Summary: City Manager's Summary: Since the 2018 levy, the City has levied property taxes that only fund a portion of the annual police and fire pension contributions. No taxes have been levied for general corporate purposes. The 2022 proposed tax levy continues this trend. Additionally, the DeKalb Public Library has submitted their tentative tax levy, and tax levies for the individual Special Service Areas are included.

At the October 19, 2022, Finance Advisory Committee (FAC) meeting, several City property tax levy scenarios were presented to the Committee for discussion and feedback. The levy that was recommended was \$7,119,130 (combined police and fire pension), which represents a 4.0% increase from last year's levy. The City's aggregate levy includes a pass-through amount (\$2,975,905) for DeKalb Public Library operations as noted in the table below:

2022 Aggregate & Special Purpose Levies	2022 Tax Levy Extensions (\$)	2021 Tax Levy After Abatements (\$)	Increase / Decrease Over Prior Year's Extension (\$)	Increase / Decrease Over Prior Year's Extension (%)
Corporate	\$0	\$0	\$0	0.00%
IMRF	\$0	\$0	\$0	0.00%
Social Security	\$0	\$0	\$0	0.00%
Fire Pension	\$3,869,713	\$3,720,878	\$148,835	4.00%
Police Pension	\$3,249,417	\$3,124,439	\$124,978	4.00%
Public Library (pass-through)	\$2,975,905	\$2,675,708	\$300,197	11.22%
Total Aggregate & Special Purpose Levy	\$10,095,035	\$9,521,025	\$574,010	6.03%

Based on a projected rate-setting City-wide EAV of \$780,000,000, this levy should result in a City tax rate of 0.91271, a 7.44% decrease from the 2021 City rate of 0.98612. The Library's tax rate for 2022 should be 0.38153, which is 1.02% lower than the 2021 rate of 0.38546. The combined City and Library tax rate is projected to be 1.29424, which would be 5.64% lower in total than the 2021 combined rate of 1.37158. Despite the overall tax levy increasing, the rate is expected to decrease due to the higher DeKalb EAV.

The City will also levy for six Special Service Areas. SSA #29 was activated in April 2020 to fund road repairs in the Market Square Shopping Center. SSA #30 was activated in

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December 2020 to fund public safety and security improvements at Hunter Ridgebrook, and it is expected that this will be the final year of that levy. The SSAs are detailed in the following table:

Estimated Tax Levy	2022 Tax Levy Extensions (\$)	2021 Tax Levy Extensions (\$)	Increase / Decrease Over Prior Year's Extension (\$)	Increase / Decrease Over Prior Year's Extension (%)
<i>Special Service Area Levies</i>				
SSA #3 - Heritage Ridge	\$1,000	\$1,000	\$0	0.00%
SSA #4 – Knolls	\$5,500	\$5,500	\$0	0.00%
SSA #6 - Greek Row	\$12,000	\$15,500	-\$3,500	-22.58%
SSA #14 - Heartland Fields	\$2,000	\$2,500	-\$500	-20.00%
SSA #29 - Market Square	\$50,000	\$50,000	\$0	0.00%
SSA #30 - Hunter Ridgebrook	\$50,000	\$50,000	\$0	0.00%
Total Special Service Area Levies	\$120,500	\$124,500	-\$4,000	-3.21%

The City is also required to levy for the principal and interest of bonds issued by the municipality. It is the City's standard practice to abate all debt service levies immediately after their adoption, except for debt related to the 2013 Library expansion project. For the 2022 levy year, the debt service payment (\$469,599) for the Library debt will be paid from General Fund revenues, as in the 2021 levy year, to hold the City tax rate down.

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

2. Ordinance 2022-062 Abating Taxes Levied for Corporate Purposes of the City of DeKalb for the Tax Year 2022 (Bonds).

City Manager's Summary: The City currently has six bond issues outstanding, which automatically levy property taxes for the debt service. It has been the past practice of the City to use other revenue sources to pay for annual principal and interest payments. As a result, the City will abate the taxes levied for debt upon approval of the annual tax levy. The outstanding bonds are identified below:

- **GO Refunding Bonds of 2010C.** In December 2010, the City issued \$5,415,000 of General Obligation Refunding Bonds to refinance prior debt at a lower interest cost. The original obligations were issued to finance storm sewer construction, road reconstruction, park land, and initial costs for the Police station. The bonds mature on January 1, 2023, and no additional levies are provided for in the bond ordinance.
- **GO Bonds of 2012A.** In October 2012, the City issued \$9,905,000 of G.O. Refunding Bonds for the purpose of construction of the new Police Station on W. Lincoln Highway. The bonds mature on January 1, 2030.
- **GO Refunding Bonds of 2019.** In October 2019, the City issued \$3,925,000 of G.O. Refunding Bonds to refinance the 2010B bonds at a lower interest cost. The bonds mature on January 1, 2028.

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- **GO Refunding Bond of 2020.** In November 2020, the City issued \$1,900,000 of G.O. Refunding Bonds to retire the principal of bonds due in 2021 to alleviate fiscal pressure caused by the COVID-19 pandemic. The bonds mature on January 1, 2030.
- **2013A GO Bonds / GO Refunding Bonds of 2022 (Library).** In 2013, the City Council approved the issuance of \$6,685,000 in bonds to help with the DeKalb Library expansion. Since the Library Board cannot issue debt on their own, the City issued the bonds and annually levies a property tax on behalf of the Library. However, the City also annually abates the tax levy and pays the debt service for the Library. In June 2022, the City Council authorized the refunding of the 2013A Bonds through the issuance of the GO Refunding Bonds, Series 2022. The City will make the January 1, 2023, and January 1, 2024, debt payments on the 2013A bonds and the remainder of that issue will be paid by the 2022 bond proceeds.
- **2022 Refunding Bonds.** These bonds mature on January 1, 2033.

The table below outlines the GO Bond debt service that will be abated in levy year 2022:

Bond Series	2022 Tax Levy	2022 Abatement
2010C	n/a	n/a
2012A	\$895,381.26	100%
2019	\$937,067	100%
2020	\$46,110	100%
2013A - Library	\$355,350	100%
2022 - Library	\$121,447.50	100%

City Council approval on Second Reading is requested. ([click here for additional information](#))

M. ORDINANCES – FIRST READING

1. **Ordinance 2022-068 Adopting the Annual Budget of the City of DeKalb, Illinois for the Fiscal Year Beginning January 1, 2023, and Ending December 31, 2023, and the 2023 Non-Bargaining Unit Pay Plan.**

City Manager’s Summary: In the Public Hearing portion of this Agenda, the reader can view the most salient features of the City’s proposed fiscal year budget for FY2023. The first public presentation of the key assumptions behind the FY2023 City Budget occurred at the joint meeting of the Council and Finance Advisory Committee (FAC) on August 15, 2022. With the guidance from that meeting, the City Manager and City staff prepared detailed department-level spending projections for a more extensive FAC discussion on October 19, at which time the FAC forwarded a City property tax levy recommendation for Council review. **The complete FY2023 Budget document was reviewed in a joint meeting of the Council and FAC on November 21. The document, which has been posted for public viewing, contains minor revisions recommended.**

The FY2023 City Budget comprises 29 funds (including the Library Fund) with a total projected fund balance of \$208,347,108 on 12/31/2023 (see p. 17 of the proposed Budget).

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

2. Ordinance 2022-069 Authorizing an Easement Agreement for Reserved Parking of a Portion of the East Side of N. Ninth Street (American Commercial, LLC).

City Manager's Summary: On October 10, the City Council approved a development agreement with American Commercial, LLC that, among other things, promised the dedication of a portion of the eastside parkway on N. Ninth Street for the creation of reserved parking stalls for employees of the firm. The parking stalls would be perpendicular to the adjacent sidewalk and would be created by the paving of the existing parkway and the cutting of the existing curb. Two-way traffic would remain on N. Ninth Street up to a modified cul-de-sac just south of the intersection with Locust Street. The street and parkway improvements would be undertaken at the City's expense and under the supervision of the City Engineer.

Once established, the new 90-degree parking stalls would be included in the attached easement which reserves the parking for the employees of American Commercial or its successors or assigns for a period of fifty years. Signage identifying the restricted parking would be needed, and the restricted use would be enforced.

City Council approval of the easement dedication pursuant to the recent development agreement is recommended. ([click here for additional information](#))

3. Ordinance 2022-070 Authorizing a Zoning Map Amendment from the "NC" Neighborhood Commercial District to the "PD-R" Planned Development Residential District and Approval of a Preliminary Development Plan for 145 Fisk Ave. (Fisk DeKalb LLC).

City Manager's Summary: As Planning Director Dan Olson writes in his background memorandum, the subject site at 145 Fisk Ave. is zoned "NC" Neighborhood Commercial District and currently contains a four-story, 24,000 sq. ft. vacant building once known as St. Mary's Hospital. The petitioner, Fisk DeKalb LLC - Jon Sauser, is the contract purchaser of the subject property and is proposing to rezone the site to the "PD-R", Planned Development Residential District to construct up to 32 apartment units in the existing building, with nine 2-bedroom units and twenty-three 1-bedroom units. The one-bedroom units would be approximately 650 sq. ft. in area and the two-bedroom units would be about 900 sq. ft. in area. The leases for the units will be at market rate. The 2022 Comprehensive Plan recommends "High Density Residential" for the site.

A significant amount of interior demolition has occurred over the years and the building could be classified as a shell. The building was originally constructed in 1922 as St. Mary's Hospital and was closed in 1965. The building was then used as a girl's dormitory operated for a short time and then was vacant from 1971 to 1974. From 1974-1992, the building was owned and used by School District 428 for administrative functions. In 1993 the property was sold and rezoned from the "MFR" Multi-Family Residential District to the "NC" Neighborhood Commercial District and a special use was approved for 12,000 sq. ft. of medical/dental offices. However, those uses were never established. In 2006 the property was sold to the current owner, Midwest Estate Development LLC, with the intent to convert the building to luxury lofts, but that project never materialized. A concept plan for a 40-room boutique hotel with associated commercial use was submitted in 2019 and reviewed informally by the Planning and Zoning Commission. The project did not go forward.

The applicant submitted a sketch plan (Concept Plan) in March 2022 which was reviewed by the Planning and Zoning Commission on April 4. A copy of the minutes from the discussion by the Commission is provided in the background materials. The Commission was generally

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in favor of the project, noting that they thought it was a good use for the long vacant building. The Commission also liked the contract purchaser's interest in preservation of a historic building. Nearby property owners who spoke at the meeting indicated support of the project since it would be a good use occupying a vacant building which has caused ongoing nuisances over many years. There was also support of the applicant based upon his past work on multi-family developments in the area. Other comments from nearby residents registered interest in ensuring the character and safety of the surrounding residential neighborhood.

The 2022 Comprehensive Plan recommends the subject site for High Density Residential (8 -12 du/ac). The proposed density is 22.5 du/ac. The Plan also notes that developments exceeding 12 units per acre should only be approved through the Planned Development process when they are compatible with the surrounding neighborhood and a benefit to the community. The applicant has pointed out that the rehabilitation of a boarded up, dilapidated, un-monitored building will have a very positive impact for the general public's health safety and welfare.

Densities at adjacent multi-family developments include 108 Fisk Avenue (28.5 du/ac), 506 N. First Street (29 du/ac), and 417-427 N. First Street (23 du/ac). Other multi-family developments approved in the City in recent years include Arista Residences (33.8 du/ac), Isaac Suites (20.6 du/ac), and Agora Tower (31.3 du/ac).

The developer intends to use most of the existing site. An existing access on Sycamore Road will be removed and re-located further from N. First Street to make a right-in/right-out access point. The parking lot will be located between Sycamore Road and the existing building, where previous parking was provided for past uses. The applicant proposes to re-establish a 20-foot-wide access drive from Fisk Avenue as well along the west side of the building. Fisk Avenue currently operates as a one-way street running west to east, from N. First Street to N. Fourth Street and will not be changed. The proposed parking lot contains 59 parking spaces, with three handicap spaces and 16 garage spaces. According to the UDO, the number of required parking spaces is 57 (1-bedroom units - 1.5 parking spaces per unit, 2-bedroom units - 2.5 parking spaces per unit).

The developer's plans propose retaining the original masonry architecture of the building, while adding some modern amenities and improvements on the north side of the building. The building will have a dedicated mail and parcel room for receiving packages and will be a secure building with cameras. A tenant lounge is proposed as well as an exercise room and outdoor patio with a natural gas grill. Landscaping will be added to the site along with new curb and gutter and LED exterior lighting to make the site safe and secure.

The following waivers to the UDO are requested:

- A planned development is typically two acres or more in area (Article 5.13.06). The site is 1.42 acres. The City has approved several waivers for this requirement in other residential projects. The PD-R zoning is necessary to accommodate waivers to the UDO.
- A 30-foot buffer area typically parallels a lower density residential area (Article 5.13.07[6]). The UDO requires a 30-foot buffer between an area zoned PD-R and a residential-zoned district that is lower in density. The areas to the east and west of the site are zoned RC-1. The Preliminary Plan shows parking and driveways mostly between 5-10 feet from the residential zoned areas to the east and west. A small portion of the drive along the west side of the building is about 2-3 feet away from the property line. Due to the desire to

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

COVID-19 Notice: The corporate authorities of the City of DeKalb intend to conduct this meeting in-person with a physically present quorum that is open to the public and in compliance with all applicable public health requirements. Pursuant to current public health guidelines, persons attending this meeting are not required to wear protective face masks/coverings.

preserve and re-purpose the building, the unique shape of the lot, and the need to provide adequate parking, this variance is needed.

- A 5-foot parking setback along the west property line per Article 12.03(5). A 5-foot parking/paving setback is required for all interior lot lines. As noted above, the proposed driveway along the west side of the building will be as close as 2-3 feet away from the west property line due to the proximity of the existing building.
- Landscaping requirements per Article 12.04. A landscape plan was not submitted with the preliminary plan. One will be required as part of the Final Plan submittal and will be reviewed by the Planning and Zoning Commission and City Council. Waivers are needed for landscape quantities due to the reduced setbacks noted above.

The City staff have reviewed the plan along with outside agencies and no major comments were identified. A stormwater analysis and traffic study were completed. A Final Plan will be required which will be reviewed by the Commission and City Council prior to construction.

The Planning and Zoning Commission held a public hearing regarding the rezoning and preliminary development plan at their meeting on November 21, 2022. By a vote of 4 to 0, the Commission recommended City Council approval of the rezoning from the “NC” Neighborhood Commercial District to the “PD-R” Planned Development Residential District for the subject site at 145 Fisk Avenue. Approval was also recommended for a preliminary development plan, subject to the standards listed in Exhibit B of the staff report (see attached).

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

N. REPORTS AND COMMUNICATIONS

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

O. EXECUTIVE SESSION – NONE

P. ADJOURNMENT

[REGULAR AGENDA PACKET – NOVEMBER 28, 2022](#)