

**MINUTES
JOINT REVIEW BOARD MEETING
JULY 31, 2020**

The Joint Review Board (JRB) of the City of DeKalb, Illinois convened on July 31, 2020 at 1:00 p.m. at the DeKalb Police Department, located at 700 W. Lincoln Highway, DeKalb, Illinois.

A. CALL TO ORDER.

City of DeKalb City Manager Bill Nicklas called the meeting to order at 1:02 p.m.

B. ROLL CALL.

City of DeKalb Executive Assistant Ruth Scott called the roll and the following members of the JRB were present:

City of DeKalb - Bill Nicklas*
DeKalb Community Unit School District #428 – Cindy Carpenter *
DeKalb County - Gary Hanson* (Remote)
DeKalb Park District - Amy Doll*
DeKalb Public Library - Emily Faulkner
DeKalb Township – Lisa King* (Remote)
Kishwaukee College #523 – Bob Johnson*
Kishwaukee Water Reclamation District - Mark Eddington (Remote)

The following members of the JRB were absent:

DeKalb County Forest Preserve - Terry Hannan
DeKalb Township Road and Bridge District - Craig Smith

MOTION

Mr. Johnson moved to appoint JRB Member Amy Doll as temporary Chair; seconded by Ms. Carpenter.

VOTE

Motion carried by a 6-0 roll call vote of those voting members present. Aye: Nicklas, Carpenter, Hanson, Doll, King, Johnson. Nay: None.

C. APPROVAL OF MINUTES.

1. Minutes of the Joint Review Board Meeting of June 26, 2020.

MOTION

Mr. Johnson moved to approve the minutes of the June 26, 2020 JRB meeting; seconded by Mr. Nicklas.

VOTE

Motion carried by a 6-0 roll call vote of those voting members present. Aye: Nicklas, Carpenter, Hanson, Doll, King, Johnson. Nay: None.

*Indicates Voting Members

D. PUBLIC PARTICIPATION.

Mark Charvat expressed his concern regarding administrative transfers by past City of DeKalb administrations from Tax Increment Financing (TIF) accounts, as well as disbursements to the taxing bodies, specifically the DeKalb Community Unit School District #428 (D428).

E. PRESENTATION OF SECOND QUARTER FY2020 TIF FINANCIALS.

Mr. Nicklas provided an overview of this item, which included revenues and expenditures for TIF #1, TIF #2, and TIF #3 from April 1 through June 30, 2020. The report also included Administration TIF timesheets from January 1 through June 30, 2020, which track hours City staff have spent specifically on TIF projects.

F. UPDATE ON DEKALB TIF PROJECTS.

Mr. Nicklas provided an update on the status of various TIF projects, including the Egyptian Theatre, Plaza DeKalb, Agora Tower (the former Mooney property), 206 E. Lincoln Highway (the former Eduardo's site), 260 E. Lincoln Highway (the former O'Leary's site), and 421 Grove Street (the former Sawyer dealership site). Mr. Nicklas also reported that the DeKalb City Council would soon be reviewing development proposals for the former city hall building at 200 S. Fourth Street on one of their upcoming meetings.

G. CONTINUING DISCUSSION OF THE FORENSIC AUDIT BY THE AUDITING FIRM OF ERNST & YOUNG.

Mr. Nicklas provided an overview of this item based on the detailed information provided in the agenda packet for this meeting. The information provided included steps the City of DeKalb and its JRB partners have taken to correct past errors or omissions.

Mr. Nicklas also referenced discussions that took place at the June 26, 2020 JRB meeting concerning options for reimbursement to taxing bodies of the irregular transfers of TIF funds by past City of DeKalb administrations and offered proposals to assist with those reimbursements.

Discussion ensued following Mr. Nicklas' report.

Mr. Johnson stated that while he is disappointed in past City TIF administration, he's also disappointed in the discussions that have taken place at recent JRB meetings where blame has been placed on current administration. Those who made poor decisions regarding TIF are no longer employed with the City or sit on the Council.

Mr. Johnson continued, referencing a spreadsheet he created with information obtained from Mr. Nicklas. The spreadsheet showed 2019 property tax rates for each taxing body and the proposed remedy for excess transfers from 2009 through 2018. The spreadsheet also showed the estimated 20-year net property tax revenue that could be generated with the addition of the Ferrara Candy Company and Facebook.

Mr. Johnson further stated that Kishwaukee College will support whatever agreement can be reached for reimbursement. He also stated that Kishwaukee College is appreciative of Mr. Nicklas and all the other players that brought Ferrara Candy Company to DeKalb. Mr. Johnson also commended Mr. Nicklas for the way he has led the change in TIF culture in DeKalb, adding that the JRB needs to move forward and show the community that all taxing bodies are on one page.

Discussion ensued.

Attorney Gino Galluzzo spoke on behalf of D428, stating he agrees that the JRB needs to move forward. He noted that Mr. Nicklas graciously provided him with the information needed to be prepared for this meeting.

Mr. Galluzzo continued, stating he would like to see some sort of standardized report provided to the JRB quarterly so that they're comfortable with how TIF dollars are being spent. He noted that what happened in the past is unfortunate, asserting there's no evidence of any fraud taking place on the City's part. He recommended working on an annual surplus disbursement for TIF #3 by incorporating an intergovernmental agreement between each taxing body.

Ms. Carpenter noted her agreement with moving forward.

Ms. Doll indicated that reports JRB members can easily read and translate would be a good start.

Mr. Nicklas stated he has no reluctance working with members of the JRB or anyone else who has a good idea on how to summarize the performance of TIF projects as they develop.

Discussion continued on the type of report that would work best and provide transparency.

There was also discussion regarding the role of the JRB and its members. Ms. Carpenter stated the JRB isn't a job, nor do the members have any oversight on the projects presented. Members either support or don't support the projects based on the recommendations of their respective boards.

Mr. Hanson noted that the JRB is an advisory board. However, the public seems to think it has jurisdiction that it doesn't.

Discussion ensued.

Mr. Nicklas proposed that the next meeting of the JRB include examples of reporting formats, with those present indicating consensus.

H. NEXT MEETING: OCTOBER 30, 2020.

The next meeting of the JRB would take place on October 30, 2020.

I. ADJOURNMENT.

MOTION

Ms. Carpenter moved to adjourn the meeting; seconded by Mr. Johnson.

VOTE

Motion carried by a 6-0 roll call vote of those voting members present. Aye: Nicklas, Carpenter, Hanson, Doll, King, Johnson. Nay: None. The meeting was adjourned at 1:55 p.m.

Respectfully submitted,

RUTH A. SCOTT, Executive Assistant

Minutes approved by the Joint Review Board on October 30, 2020.