

**MINUTES
CITY OF DEKALB
SPECIAL JOINT MEETING
OF THE
CITY COUNCIL COMMITTEE OF THE WHOLE
& FINANCE ADVISORY COMMITTEE
AUGUST 16, 2019**

The City Council of DeKalb, Illinois held a Special Committee of the Whole meeting on August 16, 2019, in the City Council Chambers of the DeKalb Municipal Building, 200 South Fourth Street, DeKalb, Illinois.

Mayor Smith called the meeting to order at 9 a.m.

A. ROLL CALL

City Clerk Lynn Fazekas called the roll of Council members and the following members were present: Alderman Carolyn Morris, Alderman Bill Finucane, Alderman Tracy Smith, Alderman Pat Fagan, Alderman Scott McAdams, Alderman Mike Verbic, Alderman Tony Faivre, and Mayor Jerry Smith.

Clerk Fazekas then called the roll of Finance Advisory Committee (FAC) members, and the following FAC members were present: Bob Higginson, Lynn Neeley, Ron Partch, Tom Teresinski, and Chair Mike Peddle. Steve Parker was absent.

Also present were: City Manager Bill Nicklas, Assistant City Manager Ray Munch, City Attorney John Donahue, City Attorney Matt Rose, Police Chief John Petragallo, Fire Chief Jeff McMaster, Assistant Public Works Director Bryan Faivre, Principal Planner Dan Olson, Airport Manager Tom Cleveland, Management Analyst Jason Blumenthal; and workshop facilitators Dr. Greg Kuhn, Jeanna Ballard, and Shannon Sohl from Northern Illinois University's (NIU's) Center for Governmental Studies.

B. PLEDGE OF ALLEGIANCE

Mayor Smith led the Pledge.

C. APPROVAL OF AGENDA

MOTION

Alderman Finucane moved to approve the agenda. Alderman Smith seconded.

VOTE

Council approved the agenda 8-0 on roll call vote. Aye: Morris, Finucane, Smith, Fagan, McAdams, Verbic, Faivre, Mayor Smith. Nay: none.

Finance Advisory Committee members approved the agenda 5-0-1 on roll call vote. Aye: Peddle, Higerson, Neeley, Partch, Tereskinski. Nay: none. Absent: Parker.

D. PUBLIC PARTICIPATION

Kurt Thurmaier identified himself as a resident living on Thornbrooke Drive and as Director of the Public Administration Program at NIU's Center for Governmental Studies. He said he believes the community is overdue for a scientific survey of citizens'/residents' satisfaction with City services and hopes there is support for this. He said there are half a dozen people who regularly voice their opinions but with 43,000 population, he suggested a systematic survey of people who are more difficult to reach, to determine the gap between services and satisfaction with those services.

E. MORNING SESSION

1. Visioning.

City Manager Bill Nicklas said small-group breakouts may be a part of the sessions today. Both Chairs approved of this.

Dr. Kuhn stressed the budget is the most important policy document, with priorities and values expressed in numbers, and said there's no such thing as an uncommitted dollar in the public sector. He said planning is worth the time because, "If you don't know where you're going, any place will do."

Exercise: The group generated answers to this question: "If you left DeKalb today, what do you hope/think you would see if you came back one or two years from now?" Answers generated by Council included the following:

- Downtown revitalization
- Park 88 development
- Chicago West development
- Budget surpluses
- Better roads
- Economic development citywide
- NIU improved enrollment
- Safe, attractive, vibrant area at Hillcrest and Annie Glidden
- Better marketing of NIU and the airport
- More trees/tree program

- Intergovernmental cooperation/sharing/consolidation
- Single family housing starts
- Growth at a sustainable rate
- Safer community

Answers specific to Finance Advisory Committee members included:

- More aggressively fund pensions
- Master Plan for City and NIU
- Infrastructure/roads
- New structure for business retention and growth.
- Strengthen the tax base, i.e. expansion of industrial base
- Stabilization of NIU as driver of the community
- School outcomes to bring growth in housing
- Vibrant code enforcement to ensure attractiveness of the community
- Address efficiency of government, i.e. why can't we pay our bills?

Answers specific to Executive Team members included the following:

- What smaller government means as regards service provision.
- Public works as part of public safety; adequate staffing and equipping
- Self-sufficiency of airport
- Awareness of airport as economic driver
- Comprehensive land use plan (which has seen no major changes since 2005)
- Greek Row development
- Fire Department capital plan
- Code enforcement
- Crime reduction
- Reducing fear/perception of crime
- Staffing/fleet improvements/money for roads
- Intangibles, such as local culture

2. Environmental Scanning.

Exercise: Participants broke into groups of four from 10:10 a.m. to 10:40 a.m. to generate team responses to open-ended questions to bring out challenges and obstacles to achieving priorities.

3. Break.

MOTION

Chair Peddle moved to recess the meeting at 10:56 a.m. Alderman Smith seconded.
VOTE

Motion carried by majority voice vote. Mayor Smith declared the meeting recessed until 11:10 a.m.

Mayor Smith reopened the meeting at: 11:10 a.m.

Roll call of Council: Morris, Smith, Fagan, McAdams, Verbic, Faivre, Mayor Smith.
Finucane arrived 11:12 a.m.

Roll call FAC: Peddle, Higginson, Neeley, Partch, Teresinki. Absent: Parker.

4. Community Priorities.

Dr. Kuhn and his facilitator team pulled out the themes from previous exercises:

- Perception/image/branding
- Sustainable growth
- Taking action/action planning
- Pension funding
- Infrastructure

Infrastructure was further broken down into:

- Downtown
- Industrial parks
- Pockets of commercial activity (outside of Sycamore Road)
- Residential (lots, schools, greenfield development, residential redevelopment)

The group added what they felt was missing to the list:

- Taxes
- Core services (water, streets, public safety, etc.)
- Schools
- Changing demographics

5. Capital and Infrastructure.

City Manager Nicklas discussed specific streets and fleet issues.

FAC members contributed to this discussion the needs to segregate funds for specific purposes, to create and maintain annual reporting requirements, and other elements of accountability and image.

F. LUNCH BREAK

MOTION

Alderman Faivre moved to recess for lunch at 11:56 a.m. Alderman Morris seconded.

VOTE

Motion carried on majority voice vote.

Mayor Smith declared a recess to 12:45 p.m.

G. AFTERNOON SESSION

Mayor Smith reopened the meeting at 12:45 p.m.

Roll Call Council: Morris, Finucane, Smith, McAdams, Verbic, Faivre, Mayor Smith.
Absent: Fagan.

Roll Call FAC: Peddle, Higginson, Neeley, Partch, Teresinski. Absent: Parker.

1. General Fund Budget Landscape.

City Manager Nicklas and Assistant City Manager Munch presented fund balance, expenditure and revenue trends into the third quarter of FY2019. Mr. Nicklas noted that the fiscal year started with carryover, resulting in a fund balance reserve of 22.1% instead of the target of 25%. He said layoffs of top-earning administrators in February did not create the expected savings for the General Fund, because he didn't know some of his salary comes from the Water and Airport funds.

Comments and contributions from other group members included the following:

- Local revenues remaining flat are a concern
- Commitment to 25% fund balance is important because of downturns
- The City is taking steps to help ensure a correct census count
- Making up for structural shifts that result in lower sales tax collections

2. Pensions Overview.

Pat Devaney, chair of Governor Pritzker's Bipartisan Legislative Pension Advisory Committee, shared statistics about the fire fighter pension funds and other information from the latest Commission on Government Forecasting Accountability (COGFA), which he said is about a month old.

Mr. Devaney said the range of funding percentage in the 291 fire fighter pension funds is 10% to more than 100%. He said 80% of the unfunded liability involves something other than benefit changes, including:

- The market
- Actuarial assumptions, such as outdated mortality tables
- Lack of enforcement of employer contributions
- Types of investments, especially arbitrary limits on percentage of equities
- Approach to amortizing the unfunded liability of police/fire pension funds

The Committee's focus, Mr. Devaney said, is to address the limits on investments and maximize returns. But he cautioned that duration has to be taken into account to ensure the contribution ramp is not too steep.

The group discussed current consolidation proposals, which Mr. Devaney said have been discussed continually since the 1940s. He said the goal is the highest return at the lowest fees, and reassured group members that the highest-funded pension funds will not subsidize the lowest-funded.

MOTION

Ms. Neeley moved to recess for a break at 2:14 p.m. Alderman McAdams seconded.

VOTE

Motion carried on majority voice vote. Mayor Smith declared a recess until 2:25 p.m.

Mayor Smith reopened the meeting at 2:28 p.m.

Roll call Council: Morris, Smith, McAdams, Verbic, Faivre, Mayor Smith. Absent: Fagan. Alderman Finucane arrived at 2:30 p.m.

Roll call FAC: Peddle, Higginson, Neeley, Partch, Teresinski. Absent: Parker.

3. Group Discussion.

Group members talked about the intention and importance of disseminating to the public the vision and priorities discussed during the day.

4. Session Wrap-up.

Some group members made final comments. There was a call for action items, including a public survey, deeper strategic planning, and to host intergovernmental sessions of this type; for example, to meet with the local school district and NIU.

H. ADJOURNMENT

MOTION

Chair Peddle moved to adjourn the meeting at 2:43 p.m. Alderman Verbic seconded.

VOTE

Motion carried on majority voice vote. Mayor Smith declared the meeting adjourned at 2:43 p.m.

LYNN A. FAZEKAS, City Clerk

Approved by City Council: September 9, 2019.