

**MINUTES
SPECIAL JOINT MEETING
OF THE
CITY COUNCIL & FINANCE ADVISORY COMMITTEE
AUGUST 21, 2023**

The City Council and the Finance Advisory Committee of the City of DeKalb, Illinois, held a Special Joint Meeting on August 21, 2023, in the Yusunas Meeting Room of the DeKalb Public Library, 309 Oak Street, DeKalb, Illinois.

A. CALL TO ORDER

Mayor Barnes called the meeting to order at 6:00 p.m.

1. City Council Committee of the Whole Call to Order and Roll Call.

Recording Secretary Ruth Scott called the roll, and the following members of the City Council were present: Alderman Carolyn Zasada, Alderman Barb Larson, Alderman Tracy Smith, Alderman Greg Perkins, Alderman Scott McAdams, Alderman Mike Verbic, Alderman John Walker, and Mayor Cohen Barnes.

Sasha Cohen was absent.

2. Finance Advisory Committee (FAC) Call to Order and Roll Call.

Recording Secretary Scott called the roll, and the following members of the Finance Advisory Committee were present: Linda Babcock, Lynn Neeley, Tom Teresinski and Dytania Washington. Lance McGill was absent.

Others in attendance included City Manager Bill Nicklas and Director of Financial Services Susan Hauman.

B. APPROVAL OF AGENDA

MOTION: Alderman Perkins moved to approve the agenda; seconded by Alderman Larson.

VOTE: City Council – Aye: Zasada, Larson, Smith, Perkins, McAdams, Verbic, Walker, Barnes. Nay None. FAC – Aye: Babcock, Neeley, Teresinski, Washing. Nay: None. Mayor Barnes declared the motion passed.

C. PUBLIC PARTICIPATION

There was none.

D. CONSIDERATIONS

1. Consideration of Key Assumptions for the Fiscal Year 2024 City Budget.

City Manager Nicklas began his overview with information regarding revenue streams, personnel projections for the Police, Fire, and Public Works departments, and funding for the construction and staffing of the proposed Fire Station #4.

A brief discussion ensued regarding staffing for the proposed Fire Station.

City Manager Nicklas then provided an overview of key revenues in the General Operating Fund, including property taxes, noting that 100% goes to pension obligations. He also noted that the annual 2023 levy will not cover the entirety of that obligation, with a shortfall of \$1,350,996, which will have to come out of other sources, primarily sales and use tax.

City Manager Nicklas continued with an overview of significant EAV growth and DeKalb's EAV estimate for 2023. It was noted that DeKalb's estimated 2023 EAV of \$948,949,324 is 73% higher than DeKalb's rate setting EAV of \$547,947,687 in 2018.

City Manager Nicklas noted that Mayor Barnes has held two summit meetings with local taxing bodies to discuss the reduction of their tax rates. Another summit will be held within the next few weeks to discuss options.

Mayor Barnes stated it's important that we keep championing the cause of collectively reducing the tax rate to a competitive level with surrounding communities.

Discussion ensued and it was noted that while the rate could go down, taxpayers could still pay more. It was suggested that additional information be provided showing the overall tax amount to compare that amount versus the rate and how we can impact the overall amount in a positive way. City Manager Nicklas stated he will provide additional information.

City Manager Nicklas continued his overview of revenues, including State Sales Tax and Home Rule Sales Tax.

There was brief discussion regarding the change from 2022 to 2023 with regard to State Sales Tax and Home Rule Sales Tax. City Manager Nicklas explained, noting additional information will be provided as it becomes available.

Further brief discussion ensued.

City Manager Nicklas continued by providing an overview Municipal Utility Tax, the American Rescue Plan Act (ARPA) grant revenue, and State Income Tax.

Mayor Barnes commented that the Illinois Municipal League (IML) is lobbying for the return of Local Government Distribute Funds (LGDF) from the state. He noted that municipalities were short changed when funding went from 10% to approximately 6.5%. He noted that the IML is continuing to advocate for police and fire pension fund reform.

City Manager Nicklas continued with the General Fund Expenditure Assumptions portion of the agenda packet.

A brief discussion ensued regarding staffing for the proposed fire station based on the chart provided on page 11 of the agenda packet.

City Manager Nicklas continued with an overview of Debt Service.

There was brief discussion between Alderman Perkins, City Manager Nicklas, and Mayor Barnes regarding the staffing portion of the budget.

City Manager Nicklas continued with an overview of Capital Funds, including the Motor Fuel Tax Fund, the Capital Projects Fund, and the Capital Equipment Replacement Fund.

Alderman Walker asked if the public safety cameras noted in the overview of Fund 400 (Capital Projects Fund) are license plate readers (LPRs). City Manager Nicklas stated it will be a combination of both LPRs and general cameras.

Alderman Walker then asked how many cameras \$65,000 would cover. City Manager Nicklas explained it depends on the pricing.

Regarding the purchase of vehicles from Fund 420 (Capital Equipment Replacement Fund), Ms. Washington asked if they would be leased or purchased. City Manager Nicklas explained the City's history of leasing vehicles and stated at this point it's cheaper to get a vehicle loan than to lease. He also noted that it's a terrible time to buy fleet equipment due to high prices and low inventory, which is a nationwide problem.

Mr. Teresinski stated he was happy to see the five year projection table (page four of the agenda packet), noting it's a good financial tool as it pertains to long range planning. He added that from a citizen's perspective, the City seems to be in a better financial position than it was last year.

Brief discussion ensued.

Ms. Neeley noted that these projections are much better than they were in 2019.

Director of Financial Services Hauman added that the Finance Department oversees an average of 61 accounts month over month to ensure trends are being followed and to ensure accurate and conservative budgeting. The Finance Department also looks at fund balances in City bank accounts daily and moves funds as much as they can on an average of \$150,000 to \$160,000 a month in interest.

Mayor Barnes commended City Manager Nicklas and City staff for being fiscally responsible.

City Manager Nicklas stated he speaks with City department heads throughout the course of the fiscal year to ensure we're staying within parameters.

E. ADJOURNMENT

MOTION: FAC – Ms. Babcock moved to adjourn the meeting; seconded by Ms. Washington.

VOTE: Motion carried by a voice vote of a majority of FAC members present – Babcock, Neeley, Teresinski, Washington. Chair Neeley declared the motion passed.

MOTION: City Council – Alderman Larson moved to adjourn the meeting; seconded by Alderman Zasada.

VOTE: Motion carried by a voice vote of a majority of Council members present – Zasada, Larson, Smith, Perkins, McAdams, Verbic, Walker, Barnes. Mayor Barnes declared the motion passed.

The meeting adjourned at 7:17 p.m.

Respectfully submitted,

Ruth A. Scott, Recording Secretary

Minutes approved by the City Council on September 11, 2023.

Minutes approved by the Finance Advisory Committee on October 16, 2023.

Click [here](#) to view the agenda packet for the August 21, 2023, Joint Meeting of the City Council and Finance Advisory Committee.

Click [here](#) to view the video recording of the August 21, 2023, Joint Meeting of the City Council and Finance Advisory Committee.