

Administrative-Finance Committee
October 2, 2017
6:00 p.m. – City Hall Conference Room

- 1. Call to Order**
- 2. Public Comment**
- 3. New Business**
 - a. Tax Levy – Motion to approve the tax levy determination for general and special purposes for Fiscal Year 2017/2018**
 - b. A Motion approving a letter agreement dated September 26, 2017, amending the lease between the City of Darien and SprintCom Inc. dated November 6, 2006.**
 - c. Approval of Minutes – September 5, 2017**
- 4. Other Business**
- 5. Next Meeting – Monday, November 6, 2017**
- 6. Adjournment**

AGENDA MEMO
Administrative/Finance Committee
Meeting Date: October 2, 2017

Issue Statement

Motion to approve the tax levy determination for general and special purposes for Fiscal Year 2017-2018.

Background/History

The process for setting a tax levy is to determine how much revenue to collect from the property tax, and request that the County levy a tax to generate that amount of money. The first approval required is the tax levy determination, which takes place prior to the approval of the tax levy ordinance. Not less than 20 days prior to the adoption of the aggregate levy, the Council shall determine the amounts of money to be levied. There are also special requirements if the aggregate amount of the Corporate and Special Purpose levy is more than 105% of the preceding year's extension and abatements.

Unfortunately, we are still subject to a timing constraint that requires us to make our initial request by the end of December, a few months before we are far enough into the budget process to make a final judgment on what we will need. In previous years the City has approached the process with an underlying assumption that the Council will not increase property taxes for the combined general corporate purpose (general fund) and special corporate levy (police pension fund).

At the same time, the Council can approve additional abatements up to the end of March. This gives the Council the ability to request a "ceiling" amount, while allowing us to review the budget early next year and consider abatements to the original request.

The attached ordinance requests a general corporate purpose (general fund=\$587,466) and special corporate levy (police pension fund=\$1,618,878) total of \$2,206,344, which represents a 0.00% increase over this year's non-bond extension (\$2,206,344). I determined the levy for the police pension fund based on the actuary report conducted on the Police Pension Fund.

With respect to the tax levy for Special Service Area #1, we have a plan for maintenance expenses for these wetlands and storm water infrastructure, and the recommended revenue from this levy is proposed to be maintained at \$5,000.

Additionally, a levy for any outstanding bonds has been filed upon the adoption of the bond ordinances. The 2017 levy amount to pay for the principal and interest on these bonds totals \$491,702. Lastly, any bond abatement will be presented in conjunction with our budget review.

Staff/Committee Recommendation

The Staff recommends approval of the levy determination and ordinances which:

- Set the City's 2017 general property tax levy and special corporate tax levy (police pension fund) at \$2,206,344.
- Set the City's 2017 Special Service Area I property tax levy at \$5,000.

Alternate Consideration

Levy different amounts.

Decision Mode

The tax levy determination will be on the October 16, 2017 Council meeting for formal consideration. This final tax levy ordinance will be on the November 20, 2017, City Council agenda for formal consideration.

DRAFT FOR TAX LEVY DETERMINATION

CITY OF DARIEN

DU PAGE COUNTY, ILLINOIS

ORDINANCE NO. _____

AN ORDINANCE LEVYING TAXES FOR
GENERAL AND SPECIAL CORPORATE PURPOSES
FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF MAY, 2017,
AND ENDING ON THE THIRTIETH DAY OF APRIL, 2018,
FOR THE CITY OF DARIEN, ILLINOIS

ADOPTED BY THE

MAYOR AND CITY COUNCIL

OF THE

CITY OF DARIEN

THIS _____ DAY OF NOVEMBER, 2017

Published in pamphlet form by authority of
the Mayor and City Council of the City of
Darien, DuPage County, Illinois, this
_____ day of November, 2017.

ORDINANCE NO. _____

**AN ORDINANCE LEVYING TAXES FOR
GENERAL AND SPECIAL CORPORATE PURPOSES
FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF MAY, 2017,
AND ENDING ON THE THIRTIETH DAY OF APRIL, 2018,
FOR THE CITY OF DARIEN, ILLINOIS**

WHEREAS, the City of Darien is a home rule unit of local government pursuant to the provisions of Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, as a home rule unit of local government, the City may exercise any power and perform any function pertaining to its government except as limited by Article VII, Section 6; and

WHEREAS, the City Council of the City of Darien, Illinois, adopted the Annual Budget for the City of Darien, Illinois, for the Fiscal Year beginning on May 1, 2017, and ending on April 30, 2018, and which has been duly published.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, IN THE EXERCISE OF ITS HOME RULE POWERS, as follows:

SECTION 1: A tax for the following sums of money or so much thereof as may be authorized by law to defray all expenses and liabilities of the City of Darien be, and the same is hereby levied, for the purposes specified against all taxable property in said City for the Fiscal Year commencing on the First day of May, 2017, and ending on the Thirtieth day of April, 2018.

ORDINANCE NO. _____

<u>Purpose</u>	<u>Amount Budgeted</u>	<u>Derived From Other Sources</u>	<u>Amount Levied</u>
<u>For Department of Administration:</u>			
Total	1,266,173	1,266,173	0
<u>For Police Department:</u>			
Total	7,393,748	6,806,282	587,466
<u>For Community Development Department:</u>			
Total	842,407	842,407	0
<u>For Municipal Services Department:</u>			
Total	2,431,683	2,431,683	0
Total Amount Levied for General Corporate Purposes			<u>587,466</u>
Police Pension Fund.....			1,618,878
2012 G.O. Refunding Bond- Water System....			298,275
2015 G.O. Refunding Bond- Capital Projects			193,427
Total Amount Levied for Special Corporate Purposes & Debt			<u>2,110,580</u>
TOTAL TAX LEVY FOR ALL FUNDS			<u>\$2,698,046</u>

SECTION 2: The City Clerk of the City of Darien is hereby directed to file with the County Clerk of the County of DuPage, a certified copy of this Ordinance as provided by law.

SECTION 3: If any item or portion of this Ordinance is for any reason held invalid, such decision shall not affect the validity of the remaining portion of this Ordinance.

SECTION 4: This ordinance and each of its terms shall be the effective legislative act of a home rule municipality without regard to whether such ordinance should (a) contain terms contrary to the provisions of current or subsequent non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the corporate authorities of the City of Darien that to the extent that the terms of this ordinance should be inconsistent with any non-preemptive state law, that this ordinance shall supersede state law in that

ORDINANCE NO. _____

regard within its jurisdiction.

SECTION 5: This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form, as required by law, and shall be known as Ordinance Number _____ of the City of Darien, Illinois.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this 20th day of November, 2017.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED BY THE MAYOR OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this 20th day of November, 2017.

ATTEST:

KATHLEEN MOESLE WEAVER, MAYOR

JOANNE E. RAGONA, CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

AGENDA MEMO
Administrative/Finance Committee
October 2, 2017

ISSUE STATEMENT

A motion approving a letter agreement dated September 26, 2017, amending the lease between the City of Darien and SprintCom Inc. dated November 6, 2006.

BACKGROUND/HISTORY

In July of this year Sprint sent the City a letter exercising its option to extend a lease pursuant to the lease agreement between the City of Darien and SprintCom Inc. dated November 6, 2006. Upon our review of the extension notice, the staff discovered that we had not received monthly lease payments during the entire term of the lease. The original lease agreement contained conflicting lease payment language. In summary, it states that the City will invoice for the rent payments but also says Sprint will pay in advance. When we contacted Sprint about the lease payments they were very cooperative in resolving this issue by a letter agreement amending the lease. It is not clear as to how this oversight was not identified previously, that is still under review. We now have all 10 of the leases on our computerized billing system.

The Letter Agreement provides that rent for the period of 10/4/2007 – 10/3/2016 in the amount of \$230,400.00 will be paid on the following schedule:

2/1/2018 - \$46,080.00
2/1/2019 - \$46,080.00
2/1/2020 - \$46,080.00
2/1/2021 - \$46,080.00
2/1/2022 - \$46,080.00
Total – \$230,400.00

STAFF/COMMITTEE RECOMMENDATION

Staff recommends approval.

ALTERNATE CONSIDERATION

N/A.

DECISION MODE

This item will be placed on the October 2, 2017 City Council Agenda for formal approval.



Property Services
Mailstop: KSOPHT0101-Z2650
6391 Sprint Parkway
Overland Park, KS 66251-2650

Website: <https://LandlordSolutions.Sprint.com>
Toll Free: (800) 357-7641
Facsimile: (913) 523-9735

September 28, 2017

Via email: Bvana@darienil.gov

City Of Darien
1702 Plainfield Road
Darien, Illinois 60561

RE: Option and Structure Lease Agreement (“Agreement”), between The City of Darien (“Landlord”) and SprintCom Inc., a Kansas Corporation (“Tenant”)
Sprint Site Reference: CH60XC318
Property Address: 1220 Plainfield Road, Darien IL 60561

Dear Mr. Vana;

This letter agreement confirms that the Landlord and Tenant agree that rent will be set up and paid monthly by Tenant without the requirement of a Landlord bill as outlined in section 4C of the Agreement. Both parties also agree that the lease term commencement and rent commencement date was 10/4/2007.

Landlord and Tenant also agree that rent for the period of 10/4/2007 – 10/3/16 in the amount of \$230,400.00 will be paid on the following schedule:

2/1/2018 - \$46,080.00
2/1/2019 - \$46,080.00
2/1/2020 - \$46,080.00
2/1/2021 - \$46,080.00
2/1/2022 - \$46,080.00
Total – \$ 230,400.00

Notices:

Any notice or demand required to be given herein shall be made by certified or registered mail, return receipt requested, or reliable overnight courier to the address of the respective parties set forth below:

Landlord:
City of Darien
Attn: City Administrator
1702 Plainfield Road
Darien, IL 60561

Tenant:
Sprint Property Services
Mailstop: KSOPHT0101-Z2650
6391 Sprint Parkway
Overland Park, KS 66251-2650

With Copy to:
Sprint Law Department
Mailstop: KSOPHT0101-Z2020
6391 Sprint Parkway
Overland Park, KS 66251-2020
Attn: Real Estate Attorney (AL1813)

Kindly acknowledge, agree and accept the terms of this proposal. Please return one (1) original signed letter for our records.

Please contact Tiffany Lee at (425) 256-7441 or via email at tiffany.2.lee@sprint.com regarding any questions concerning this letter. When communicating with our office, please refer to the Sprint site reference indicated above.

Thank you for your cooperation and assistance.

Sincerely,

Vio Dirvonis
Manager, Real Estate II
SprintCom Inc.,
a Kansas Corporation

**ACKNOWLEDGED, AGREED TO AND
ACCEPTED BY:**

City of Darien

By: _____

Name: _____

Title: _____

Date: _____

City of Darien
Minutes of the Administrative/Finance Committee
September 5, 2017

The Meeting was called to order by Chairman/Alderman Ted Schauer at 6:00 pm. Committee members Aldermen Kenny and Chlystek was present. Treasurer Mike Coren and staff members present included Bryon Vana and Julie Saenz.

Presentation - Draft FYE 16 Annual Financial Report

Jim Savio of Sikich presented the draft Annual Financial Report for the Year Ended April 30, 2017. The final report will be presented to the City Council October 2, 2017.

Minutes – May 1, 2017

The minutes were approved as presented.

Other Business

Alderman Schauer asked when the discussion of the police pension fund levy request will be discussed by the Committee. Vana advised that will take place at the October 2nd Committee meeting.

Adjournment - The meeting adjourned at 6:55.

Approved:

Ted Schauer, Chairman _____

Joseph Kenny, Member _____

Thomas Chlystek, Member _____