

**Administrative-Finance Committee
November 5, 2018
6:00 p.m. – City Hall Conference Room**

- 1. Call to Order**
- 2. Public Comment**
- 3. New Business**
 - a. Consideration of a RESOLUTION APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF DARIEN (“CITY”) AND DARIEN LIONS CLUB, A NOT-FOR-PROFIT (“TENANT”)**
 - b. Approval of Minutes – October 1, 2018**
- 4. Other Business**
- 5. Next Meeting – December 3, 2018**
- 6. Adjournment**

AGENDA MEMO
Admin/Finance Committee
November 5, 2018

ISSUE STATEMENT

Consideration of a RESOLUTION APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF DARIEN (“CITY”) AND DARIEN LIONS CLUB, A NOT-FOR-PROFIT (“TENANT”).

BACKGROUND/HISTORY

The Lions Club submitted a letter dated September 27th, 2018, requesting to use a small part of property at the City Hall complex for storage of materials and supplies. Included in the letter is:

“As you know, we are currently renting a space at the Safeguard facility on Lemont Road for a monthly rental rate of \$326 for a storage space under 300 square feet. As a not for profit organization dedicated to serving the Darien Community, such an expense precludes our providing additional donations to worthy community organizations. As partners with the City of Darien, it is our hope that we will have an opportunity to better meet the needs of those in our community who are in need of our assistance.”

Attached is a draft lease between the City and Lions Club allowing the Lions the use of a storage shed approximately 200 ft². The lease has been reviewed by the Lions Club and they are in agreement with the terms in the lease.

STAFF/COMMITTEE RECOMMENDATION

Staff recommends approval of the Resolution.

ALTERNATE CONSIDERATION

As directed.

DECISION MODE

This item will be placed on the November 5, 2018, City Council Agenda for consideration.



DARIEN LIONS CLUB



DISTRICT 1 J

1702 Plainfield Road • Darien, Illinois 60561

www.darionlions.org ++ www.facebook.com/DLCIL

September 27, 2018

Mr. Byron Vana
City Administrator
City of Darien
Darien, Illinois 60561

Mr. Vana:

First of all, I would like to thank you, the Administrative Finance Committee and the Darien City Council for listening to and responding to our request for assistance in developing an effective and efficient solution in dealing with our current storage facility needs. As you know, we are currently renting a space at the Safeguard facility on Lemont Road for a monthly rental rate of \$326 for a storage space under 300 square feet. As a not for profit organization dedicated to serving the Darien Community, such an expense precludes our providing additional donations to worthy community organizations. As partners with the City of Darien, it is our hope that we will have an opportunity to better meet the needs of those in our community who are in need of our assistance.

At the conclusion of our August 6, 2018 appearance at the City of Darien Administrative Finance Committee Meeting, I was asked to complete a "Letter of Intent" that would serve to clarify our needs and future direction in working with the City to alleviate our storage issues. I chose not to author this letter until I had the support of the Lions Board of Directors, and of the general membership. After much discussion, our Board and membership agreed to proceed with this proposal with a projected cost of \$10,000 and for the concrete pad that needs to be installed prior to the construction of the shed. The Lions Club would like to proceed as follows.

- The Darien Lions Club is open to purchasing a storage facility similar to the three sheds located at the water treatment facility at Manning and Plainfield Roads. While the City's cost was under \$7,000 for each shed, we understand that our purchase price for a similar shed might run closer to \$7,000. We are also prepared to fund all costs for the construction of the concrete pad, which is estimated at \$3,000. It is our wish to have the city bid out the storage shed and to subcontract for all costs related to the concrete pad. The Lions will make payment for all items following completion of the project. We would like to pursue a discussion with the city that would see the final payment made over a

two to three year period.

- At our August 6 meeting, City staff presented the concept of erecting a storage shed, for use by the Lions on the City Hall Complex property next to or in close proximity to a storage garage currently used by the Darien Police Department. We would like to have our shed constructed just south of the current storage garage with the front flush to or directly next to the west sidewalk. This will provide us with easier access to the shed from the parking lot especially during the colder and snowier winter months.
- The development of such a project on City of Darien property will necessitate the development of a lease agreement between the City and the Darien Lions Club. While we would hope, as a not for profit organization, to have a long-term lease (possibly 25 – 30 years) and a cost of no more than \$1.00 per year, we understand that exact terms are subject to approval by the Darien City Council. We also understand that we will have the responsibility to secure insurance for this facility and it is our expectation that this will be a condition of our lease agreement. We appreciate the opportunity that this presents to our club and we understand the responsibility we will have as “tenants” on City property to insure that the facility meets and blends in with the overall design of the City complex. Our goal is to work with the City, assisting it in continuing to make Darien “A Nice Place to Live.”

The Darien Lions Club appreciates the opportunity to work with the City of Darien, and it is our hope that the City can assist us as we seek a viable solution to our current storage needs.

Please feel free to call me (630-253-3274) or email me (lionkenkohnke@gmail.com) regarding any questions you might have or answers that you can provide to assist us in making our final decision.

Yours truly,

Kenneth Kohnke
President – 2018 - 2019
Darien Lions Club

Cc: Mr. Daniel Gombac
Alderman Joseph Marchese

**A RESOLUTION APPROVING A LEASE AGREEMENT
BETWEEN THE CITY OF DARIEN (“CITY”) AND
DARIEN LIONS CLUB, A NOT-FOR-PROFIT (“TENANT”).**

WHEREAS, the Lions Club is seeking additional storage space to store materials and supplies they use to benefit Darien through such activities as conducting the annual 4th of July parade and many other community and humanitarian service projects; and

WHEREAS, the Lions Club requested to use a small portion of property at the City Hall complex to store material and supplies; and

WHEREAS, the Mayor and City Council has determined there is space sufficient to accommodate the request by the Lions Club

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND
COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS**, as follows:

SECTION 1: The City Council of the City of Darien hereby authorizes the Mayor and City Clerk to sign a Lease agreement between the City of Darien (“City”) and Darien Lions Club, a not-for-profit (“Tenant”) and attached hereto as “Exhibit A”.

SECTION 2: This Resolution shall be in full force and effect from and after its passage and approval as provided by law

SECTION 3: Home Rule.

This Resolution and each of its terms shall be the effective legislative act of a home rule municipality without regard to whether such Resolution 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 the terms of this Resolution should be

inconsistent with any non-preemptive state law, this Resolution shall supersede state law in that regard within its jurisdiction.

SECTION 5: Effective Date. This Resolution shall be in full force and effect immediately upon its adoption.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE

COUNTY, ILLINOIS, this ___ day of _____, 2018.

AYES:

NAYS:

ABSENT:

APPROVED BY THE MAYOR OF THE CITY OF DARIEN, DU PAGE

COUNTY, ILLINOIS, this _____ day of _____, 2018.

KATHLEEN MOESLE WEAVER, MAYOR

ATTEST:

JOANNE E. RAGONA, CITY CLERK

APPROVED AS TO FORM:

JOHN B. MURPHEY, CITY ATTORNEY

Lease Agreement

I. The Parties – Lease agreement is between the City of Darien (“City”) and Darien Lions Club, a not-for-profit (“Tenant”).

II. Premises – The space/property being leased shall be described as:

Storage shed – 1702 Plainfield Road (Hereinafter referred to as the “Premises”).
and with final location to be determined by the City.

III. Space Rented - The space described equals: Approximately 200 Square Feet (SF)

IV. Term – The term of the lease shall be 25 years beginning on the 6th day of November, 2018, and ending on the 5th day of November, 2043.

V. Rent – Rent shall be paid on May 1 of every year in the amount of One Dollar (\$1.00) and shall remain fixed for the lease term.

VI. Common Areas – The Tenant, along with any of its authorized members, may use the following premises:

- Storage shed
- Parking lot access to shed

VII. Renewals

Tenant does not have the right to renew the lease.

VIII. Improvements During Lease Term - The Tenant, with written approval of the City, shall be able to make limited improvement to the Premises.

IX. Use – The Tenant will occupy the Premises for the following use:

Storage of Lions Club materials and equipment. The Premises shall not be used for the storage or disposal of any toxic or hazardous substances, and the City will have 24 hour access to the storage shed.

X. Utilities and Other Expenses

Tenant is responsible for all utility and maintenance expenses.

XI. Tenant’s Responsibility

- Tenant shall keep the Premises clean and well maintained at all times, so that the Premises shall be kept in an acceptable condition as determined by the City.
- If the City determines the premises are not kept in an acceptable condition,

and the Tenant refuses to improve the premises, City may cancel this lease and will give tenant 30 days' notice prior to cancelling the lease under this provision.

- If the shed and foundation needs to be removed from the premises due to poor condition, as determined by the City, the City may remove the shed and foundation and the Tenant agrees to reimburse the City for the costs. The reimbursement will be made by the Tenant within 60 days of the removal.
- If the Lions Club disbands, they may remove and keep the shed at their own expense.

XII. Insurance

Tenant agrees to maintain insurance for the Premises at limits and language as determined by the City.

Tenant agrees to hold the City Harmless as determined by the City as follows:

- To the fullest extent permitted by law, the Tenant hereby agrees to defend, indemnify and hold harmless the City of Darien, its officials, agents and employees, against injuries, deaths, loss, damages, claims, suits, liabilities, judgments, cost and expenses (including attorney's fees), which may in anywise accrue against the City of Darien, its officials, agents and employees, arising in whole or in part or in consequence of this lease or which may in anywise result therefore, except that arising out of the sole legal cause of City of Darien, its officials, agents or employees. The Tenant shall, at its own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefore or incurred in connections therewith, and, if any judgment shall be rendered against the City of Darien, its officials, agents and employees, in any such action, the undersigned shall, at its own expense, satisfy and discharge the same. The invalidity or unenforceability of any of the provisions hereof shall not affect the validity or enforceability of the remainder of this Agreement.

Tenant understands the Insurance requirements and hold harmless language can be modified at any time as determined by the City.

XIII. Subletting – The Tenant does not have the right to sublet the Premises.

XIV. Default – If the Tenant defaults on the lease agreement for any reason, the City agrees to give notice to the Tenant, giving the Tenant the right to cure the issue(s). If the Tenant does not cure the issue(s) within the amount of time stated in the notice, then the City has the right to terminate this lease.

XV. Disagreements During the Lease Period – If a disagreement arises during the lease period from either the City or Tenant; the parties have the right to take the matter to court under the Premises' jurisdiction.

XVI. Additional Agreements – Landlord and Tenant additionally agree to the following:

- The City shall purchase shed as determined by the Tenant.
- The City shall construct the concrete pad required for the shed construction.
- The Tenant shall pay the City for all expenses related to the shed, including but not limited to, purchase/installation, construction of the concrete pad, and city employee labor if any, and legal fees to prepare the lease.
- The Tenant agrees to make the full estimated payment to the City prior to any beginning work included in this agreement.
- This agreement shall automatically cancel if the construction does not begin by April 1st, 2019.
- The City may cancel this lease at any time if it determines the property is needed for a public purpose. The City will give tenant 60 days notice prior to cancelling the lease under this provision. If the City cancels the lease as provided in this section the Tenant may remove the shed at Tenants' expense.

XVII. Entire Lease Agreement – This document supersedes any other writings in relation to the Premises and has authority over any oral agreements made between the City and Tenant.

XVIII. Successors and Assignees – All assignees of the parties including heirs, successors, or anyone else that may be considered is mutually bound by this lease agreement.

XIX. Notices – All notices in relation to the Premises or this lease agreement shall be in writing and delivered to the following address below via Certified Mail with Return Receipt:

City

Tenant

XX. Governing Law – This lease agreement will be governed by and construed in accordance with the laws in the State of Illinois.

XXI. Counterparts and Modifications

- Only writing(s) signed by the party against whom such a modification is sought to be enforced shall modify this lease.

XXII. Severability - If any court determines that any provision of this lease is invalid or unenforceable, any invalidity or unenforceability will affect only that provision. It will not make any other provision of this lease invalid or unenforceable, and shall be modified, amended, or limited only to the extent necessary to render it valid and enforceable.

Signatures

City of Darien

Name: _____

Date: _____

Darien Lions Club

Name: _____

Date: _____

City of Darien
Minutes of the Administrative/Finance Committee
October 1, 2018

The Meeting was called to order by Chairman/Alderman Ted Schauer at 6:00 pm. Committee members Aldermen Kenny and Chlystek were present. Treasurer Mike Coren, City Administrator Bryon Vana were also present.

Motion to approve the tax levy determination for general and special purposes for Fiscal Year 2018-2019

Staff advised the levy ordinance requests a general corporate purpose (general fund=\$514,945) and special corporate levy (police pension fund=\$1,714,350) total of \$2,229,295 which represents a 0.00% increase over this year's non-bond extension (\$2,229,295). 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. The Committee unanimously recommended approval of the levy determination and ordinances which:

- Set the City's 2018 general property tax levy and special corporate tax levy (police pension fund) at \$2,229,295.
- Set the City's 2018 Special Service Area I property tax levy at \$5,000.

FYE 18 Audit to Budget Comparison

Staff advised that upon completion of the annual audit the Administrative/Finance Committee reviews a comparison between the FYE 4-30-18 audited numbers and the FYE 4-30-19 estimated numbers included in the FYE 4-30-18 budget. The General Fund audited fund balance exceeded the estimated balance used in the 4-30-19 budget by \$594,340. The City Council previously approved the *Capital Improvements Plan Guidelines*. Section 3 of the guidelines states that surplus from the general fund, in excess of 3 months operating reserve, will be transferred to the capital projects fund annually. Based on these guidelines staff recommended that the City Council approve a transfer of \$550,000 to the Capital Projects Fund from the General Fund. The Committee unanimously recommended approval of the transfer.

Minutes – September 4, 2018

The minutes were approved.

Adjournment - The meeting adjourned at 6:37 pm.

Approved:

Ted Schauer, Chairman _____

Joseph Kenny, Member _____

Thomas Chlystek, Member _____