

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, DECEMBER 3, 2012**

1. Opening of Meeting

The meeting was convened by Chair. Martin at 7:20 p.m.

2. Roll Call

Members Present: Chair. Martin, Ald. Stellato, Monken, Carrignan, Payleitner, Turner, Rogina, Krieger, Bessner, and Lewis

Members Absent: None

Others Present: Brian Townsend, Chris Minick, Acting Fire Chief Schelstreet, Chief Lamkin, Mark Koenen, Kathy Livernois

3. Omnibus Vote

None.

4. Finance Department

a. Recommendation to approve an Ordinance for the Annual Tax Levy.

Chris Minick: Enclosed in the packets and actually two weeks ago on November 19, 2012 we had a public hearing with regard to the tax levy ordinances for the 2012 tax levy and went through a detail presentation at that time. Tonight are all the ordinances to formalize the 2012 tax levy and make those tax levies binding once passed by the City Council. Also the ordinances in the packet tonight had no changes to the amounts or the concepts that were discussed at the public hearing.

These ordinances were levied taxes in the amount \$22,744,251.00 and for the fourth consecutive year there will be no change in the operating levy. The City will be holding the operation levy consistent at \$12,055,000.00. These ordinances do contemplate and staff does anticipate following prior direction and policy of the City Council to abate the general obligation debt service levies in the amount of approximately \$10M; in affect, removing those items from those particular levies and the amounts from the tax bills of our residents. As a result of these actions, the average city taxpayer will see no change in the city portion of the property tax bill that they pay for their individual property between 2011 and 2012 levy amounts.

With that, item a, is the general tax levy for the City and its appropriate for a motion.

Motion by Ald. Stellato, second by Monken to recommend approval of an Ordinance for the Annual Tax Levy.

Roll Call: Ayes: Stellato, Monken, Carrigan, Payleitner, Turner, Rogina, Krieger, Bessner, Lewis; Nays: None. Chrmn. Martin did not vote as Chair. **Motion carried.**

b. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 1A (Central Business District – Parking Facilities).

Chris: This item will levy taxes for 2012 for SSA 1A for the City of St. Charles in the amount of \$87K.

Motion by Ald. Monken, second Carrigan to recommend approval of an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 1A (Central Business District – Parking Facilities).

Roll Call: Ayes: Stellato, Monken, Carrigan, Payleitner, Turner, Rogina, Krieger, Bessner, Lewis; Nays: None. Chrmn. Martin did not vote as Chair. **Motion carried.**

c. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 1B (Downtown Revitalization).

Chris: This item will levy taxes for the year 2012 for SSA 1B for the City of St. Charles in the amount of \$280K.

Motion by Ald. Carrigan, second by Payleitner to recommend approval of an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 1B (Downtown Revitalization).

Roll Call: Ayes: Stellato, Monken, Carrigan, Payleitner, Turner, Rogina, Krieger, Bessner, Lewis; Nays: None. Chrmn. Martin did not vote as Chair. **Motion carried.**

d. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 5 (Central Manufacturing District – Detention and Erosion).

Chris: This item will levy taxes for 2012 for SSA 5 for the City of St. Charles in the amount of \$20,421.

Moton by Ald. Payleitner, second by Turner to recommend approval of an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 5 (Central Manufacturing District – Detention and Erosion).

Roll Call: Ayes: Stellato, Monken, Carrigan, Payleitner, Turner, Rogina, Krieger, Bessner, Lewis; Nays: None. Chrmn. Martin did not vote as Chair. **Motion carried.**

- e. **Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 6 (Cambridge East – Detention and Erosion).**

Chris: This item will levy taxes for 2012 for SSA 6 for the City of St. Charles in the amount of \$200,432.

Motion by Ald. Turner, second by Rogina to recommend approval of an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 6 (Cambridge East – Detention and Erosion).

Roll Call: Ayes: Stellato, Monken, Carrignan, Payleitner, Turner, Rogina, Krieger, Bessner, Lewis; Nays: None. Chrmn. Martin did not vote as Chair. **Motion carried.**

- f. **Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 7 (Central Manufacturing District – Detention and Erosion).**

Chris: This item will levy taxes for 2012 for SSA 7 for the City of St. Charles in the amount of \$10,710.

Motion by Ald. Rogina, second by Krieger to recommend approval of an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 7 (Central Manufacturing District – Detention and Erosion).

Roll Call: Ayes: Stellato, Monken, Carrignan, Payleitner, Turner, Rogina, Krieger, Bessner, Lewis; Nays: None. Chrmn. Martin did not vote as Chair. **Motion carried.**

- g. **Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 10 (Royal Fox I – Detention and Private Streets).**

Chris: This item will levy taxes for 2012 for SSA 10 for the City of St. Charles in the amount of \$6,804.

Motion by Ald. Krieger, second by Bessner to recommend approval of an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 10 (Royal Fox I – Detention and Private Streets).

Roll Call: Ayes: Stellato, Monken, Carrignan, Payleitner, Turner, Rogina, Krieger, Bessner, Lewis; Nays: None. Chrmn. Martin did not vote as Chair. **Motion carried.**

h. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 13 (Red Gate – Detention).

Chris: This item will levy taxes for 2012 for SSA 13 for the City of St. Charles in the amount of \$26,502.

Motion by Ald. Bessner, second by Lewis to recommend approval of an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 13 (Red Gate – Detention).

Roll Call: Ayes: Stellato, Monken, Carrigan, Payleitner, Turner, Rogina, Krieger, Bessner, Lewis; Nays: None. Chrmn. Martin did not vote as Chair. **Motion carried.**

i. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 57 (Legacy Business Center – Electric Distribution Facility).

Chris: This item will levy taxes for 2012 for SSA 57 for the City of St. Charles in the amount of \$29,278.

Motion by Ald. Lewis, second by Stellato to recommend approval of an Ordinance for the Levy and Assessment of Taxes for the Year 2012 in and for the City of St. Charles Special Service Area Number 57 (Legacy Business Center – Electric Distribution Facility).

Roll Call: Ayes: Stellato, Monken, Carrigan, Payleitner, Turner, Rogina, Krieger, Bessner, Lewis; Nays: None. Chrmn. Martin did not vote as Chair. **Motion carried.**

j. Monthly Update regarding City's Financial Results for October 2012 – Information Only.

Chris: Enclosed is the monthly financial report for month ending October 31, 2012. The month of October is specifically significant for the City because this marks the halfway point for the City's fiscal year. Most of the trends have been fairly well established by this time and it also becomes the projections that we do for the annual budget, which that process is starting up right now with individual departments and these numbers can form some of the projections for the fiscal year's budget.

The concepts of the amounts are pretty much in line with what we've been discussing for the last five months with one exception which I will get to. Right now I will run down the General Fund. We are anticipating that the General Fund will have approximately a \$350K surplus for this year projected at this mid-way point. We do have revenues of approximately \$40.5M and expenditures are anticipated to end the year at \$40,145,000 generating that \$350K surplus.

On the revenue side, sales taxes continue to drag. The projections are a little over aggressive in what I had anticipated and hoped for with the decreased economic activity; and while these revenues do continue to lag the projections, as of the end of October 2012 they are approximately \$300K higher than they were in October 2011. Even though they are lagging in projections, they have increased over the prior year which is good news.

Wrt income taxes, hotel taxes, communication taxes, electric franchise fees, and alcohol taxes we continue to exceed our projections and are anticipating that we will end up just slightly under budget for the year by sixth tenths of 1% below budget for all the revenues.

On the expenditure side we continue to see the expenditures trending lower than projected across the board particularly in the areas of personal services and contractual services for the General Fund.

I mentioned that there was one fairly significant change and that has occurred in the Electric Fund. The forecast of the Electric Fund page in the report we are projecting, on a cash flow basis, that we'll now have a \$324K surplus in this fund for this fiscal year. I am anticipating on an accounting basis that once we account for the depreciation of the system that we may still have a net loss on the gap of generally accepted accounting principles, but at least on the cash flow basis we are starting to see some of the changes we made on the rate structure have an impact on the Electric Fund.

We are anticipating total revenues for the fund will be approximately 1.2% over budget with user fees being 1.1% over budget, total expenditures being about 1.5% below budget for fiscal year for the Electric Fund helping to generate that small surplus.

Water Fund – We have a \$685K deficit projected. That is smaller than the budgeted \$1.55M deficit on a cash flow basis that we had anticipated; mainly that's because we anticipate that our user fee revenue is going to end the year about 14.5% higher than we forecasted with the budget process last April. The main reason for this overage is the hot dry summer that we experienced. Also on the expenditure side for the Water Fund we do anticipated to be about 3% below budget in total expenditures for the Water Fund.

The Wastewater Fund continues to chug along. It has not changed and has been right in line with expectations since the May report. I would comment that we do anticipate our expenses will be 1.2% below budget for the year.

6. Additional Items

None.

7. Adjournment

Motion by Carrigan second by Monken to adjourn meeting at 7:37 p.m.

Government Operations Committee

December 3, 2012

Page 6

Voice vote: unanimous; Nays: None. Chair. Martin did not vote as Chair. **Motion carried.**

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