

**MINUTES FROM THE PUBLIC HEARING OF THE ST. CHARLES CITY  
COUNCIL  
HELD ON MONDAY, APRIL 15, 2013 – 6:55 P.M.  
CITY COUNCIL CHAMBERS, IN THE CITY COUNCIL CHAMBERS  
2 E. MAIN STREET ST. CHARLES, IL 60174**

1. **Call To Order By Mayor Donald DeWitte At 6:55 P.M.**
2. **Roll Call.**  
**Present:** Stellato, Monken, Carrignan, Payleitner, Turner  
Rogina, Martin, Krieger, Bessner, Lewis  
**Absent:** None
3. **Public Hearing concerning passage of the Proposed Annual City Budget for Fiscal Year 2013/2014.**

**Mayor DeWitte**

This public hearing concerns the City's proposed budget for the Fiscal Year 2013-2014. In accordance with state statute a notice of this hearing was published in the Kane County Chronicle on April 4, 2013 and the budget was made available for public inspection as of that date. A presentation on the Fiscal Year 2013-2014 Budget will be given. Afterwards there will be an opportunity for public comment and City Council questions regarding the approval of the proposed budget.

**Chris Minick, Finance Director**

As mentioned the date of the hearing and the budget has been made available for the public. With this hearing we have done all things necessary to adopt the proposed budget for 2013/2014 FY for the City. There is a resolution up for vote for the City Council agenda. Mr. Minick presented the following information:

1. Agenda
  - A. Economic Trends
  - B. Highlights
  - C. Summary of All Funds
  - D. Summary of General Fund
    - i General Fund Revenue
    - ii General Fund Expenditures
  - E. Significant Operational Initiatives • Significant Capital Projects
  - F. Summary of Utility Funds
  - G. Next Steps
  - H. Questions/Comments
2. Economic Trends
  - A. • Generally Improving – but slowly:
    - i Income levels increasing
    - ii Sales increasing initially, then moderating

- iii Interest rates remain near historic lows
  - B. However problems remain:
    - i Property Values continuing to decline (5.8%) – “Jobless recovery”
    - ii State fiscal and pension woes
    - iii Interest rates remain near historic lows
    - iv Sequestration’s impact?
- 3. Maintaining strong fiscal position
  - i Live within our means
  - ii Maintain strong reserve levels
  - iii Positive, proactive reaction to changing conditions
  - iv Hold the line on taxes and fees
  - v Maintain programs and services
  - vi Complete long-anticipated capital projects
- 4. Highlights
  - A. General Fund budget is balanced
  - B. No new taxes proposed
  - C. No tax increases
  - D. Programs and services enhanced
  - E. No new positions budgeted
    - i 279.3 Full-Time Equivalents (FTEs)
    - ii Reduction of 1.6 FTE from FY12-13
  - F. Reserves well in excess of 25% policy
- 5. Summary of all Funds (Excludes Transfers)
- 6. The General Fund by the Numbers
- 7. General Fund Revenues and Expenditures Fiscal Years 2006 – 2013
- 8. General Fund Revenues
- 9. General Fund Revenue Sources
- 10. General Fund Expenditures by Function
- 11. General Fund Expenditures by Type
- 12. Significant Operational Initiatives
  - A. Strategic Plan Update
  - B. Comprehensive Plan Update
  - C. “Shop St. Charles Challenge”
  - D. Fire Department Accreditation
  - E. Customer Service Training
  - F. Document Management System Enhancements
  - G. Mobile Speed Monitoring Device
- 13. Significant Capital Improvements
  - A. Municipal Center Improvements
  - B. Property acquisition, demolition and parking lot construction
  - C. Annual Street Resurfacing Program
  - D. Removal of Emerald Ash Borer Trees
  - E. Tyler Road Drainage Improvements
  - F. North 5th Avenue Water Main
  - G. Red Gate Road & North High School Traffic Signal
- 14. Utility Funds

15. Maintaining strong fiscal position
  - A. Live within our means
  - B. Maintain strong reserve levels
  - C. Positive, proactive reaction to changing conditions
  - D. Hold the line on taxes and fees
  - E. Maintain programs and services
  - F. Complete long-anticipated capital projects
16. Next Steps
  - A. Budget Approval Tonight
  - B. Presentation of Utility Rate Changes –
    - i April 22 - Government Services Committee
  - C. Fiscal Year Begins – May 1, 2013

**Alder. Carrignan**

Relative to the property tax you talked about a -5.8%, we are at the bottom of the EAV cycle I assume. We are seeing an increase in sales, housing prices rise. So it takes about three to four years for the economy to improve?

**Mr. Minick**

That is correct. The property value cycle typically lags true economic conditions by approximately three to four years.

**Alder. Carrignan**

I know we will talk about this next week with the enterprise funds, but I think the electrical reserve issue is significant and that we really need to pay attention to that and keep on that track of developing into sustainability. It is critical for our budget and affects the enterprise and general funds. We need to stay on that track.

**Alder. Bessner**

Regarding the EAV values and income tax levels going up and sales tax revenues going up are you seeing any trends whatsoever that we have hit the bottom and are moving in an upward direction. I see on your chart it wobbling back and forth along the line. I was wondering, in your opinion, if you see any trends we are getting out of it.

**Mr. Minick**

Definitely the sales tax trend is most the encouraging that I have seen. Having it go up 4% in a year, and that's what we are projecting – finishing with receipts about 4% higher than we have experienced during FY 11/12. That is the most positive in my opinion. As long as we can maintain that, we can keep moving forward with that, I think the rest of the items can come along with it. My way of thinking the economy all flows from the amount of sales tax revenue and the amount of purchasing that consumers tend to do. I think that helps build the economy as a whole.

**Alder. Bessner**

Regarding the SSI, I know you have done a great job in cutting over the last two, three, four years. Is there still room to go to be close trimming as much as we have?

**Mr. Minick**

I think there is always room to cut. It becomes a matter of what programs are we willing to cut and what service levels are we willing to reduce to visa vi the revenue levels and taking a look at that. The bottom line is we got options of both sides of the equation. There is certainly room to cut more expenditures. There is room we could look at revenue

enhancements. It becomes a matter of priorities and what service levels the Council would like to maintain. And how that all integrates into the budget. I would imagine we would take an approach, much like we went into the recession in '08/'09 timeframe. If you recall, we cut, but that is when the alcohol tax went into affect, we talked about an admission tax that we ultimately decided not to implement at that point in time. If we entered into a period, we would need to examine those items again. We would put everything back on the table and start talking through what service levels we want to maintain and how we go about financing them.

**Alder. Rogina**

This is an objective view, because I wasn't here, you did, when trouble hit us in '08, you did react to that, that staff reacted, the Mayor reacted and there should be no doubt in anyone's mind that the City reacted well and very responsibly at that time. Several people on this Council stepped forward, so kudos.

**Mr. Minick**

Thank you. The City Council deserves much of the credit by giving the guiding direction.

**Mayor DeWitte**

We could not have done it without you Chris.

**Mr. Minick**

It was a total team effort. The department heads identified those types of programs that could be reduced.

**Mayor DeWitte**

I couldn't agree more.

Written comments – None

Public Comment -- None

**4. Adjournment**

Motion By Stellato, seconded by Monken, to adjourn meeting

VOICE VOTE

UNANIMOUS

MOTION CARRIED

Meeting adjourned at 7:29 P.M.

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Nancy Garrison, City Clerk

CERTIFIED TO BE A TRUE COPY OF ORIGINAL

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