

**MINUTES  
CITY OF ST. CHARLES, IL  
GOVERNMENT OPERATIONS COMMITTEE  
MONDAY, MARCH 7, 2016**

**1. Opening of Meeting**

The meeting was convened by Vice-Chair Payleitner at 7:30 p.m.

**2. Roll Call**

**Members Present:** Vice-Chair Payleitner, Ald. Silkaitis, Lemke, Turner, Bancroft, Krieger, Gaugel, Bessner, Lewis.

**Absent:** Ald. Stellato

**3. Omnibus Vote**

**a. Budget Revisions – February, 2016**

Motion by Ald. Turner, second by Kriger to approve the omnibus item.

**Voice Vote:** Ayes: Unanimous; Nays: None; Absent: Stellato. Vice-Chair Payleitner did not vote as Vice Chairman. **Motion Carried.**

**4. Finance Department**

**a. Mid-year presentation by St. Charles Convention and Visitor's Bureau – updates to 2016 activities – information only.**

**Chris Minick:** Every year the St. Charles Convention and Visitor's Bureau comes before the Council to give us an annual update of their past year's activities and tonight DeAnn Wagner is here to make this presentation.

**DeAnn Wagner, 311 N 2<sup>nd</sup> Avenue, St. Charles:** Thanks for the opportunity to speak this evening. In the course of the series of meetings with City staff and the consulting firm, a reoccurring theme was mentioned for the need for more education about the Bureau's mission, goals, and activities. This presentation was developed with that in mind.

The SCCVB is a certified bureau with the State of Illinois. The certification allows the SCCVB to receive LTCB grant funding (equating to over \$200,000 this fiscal year) to support generation of hotel/motel and other taxes in Greater St. Charles through the Bureau's marketing and sales efforts. Branded hotels have marketing support from their brands, but additional marketing efforts are needed to give meeting planners, event planners, and individuals planning getaways reasons to choose St. Charles, Illinois over the myriad of options in Chicagoland, the State of Illinois, the five neighboring states, and, in the case of meetings, locations around the country. Everyone is competing for the limited tourism dollars being spent in Illinois.

The Bureau's state certification also provides the SCCVB with additional benefits including a listing on EnjoyIllinois.com, a voting membership in the Illinois Council of Convention and Visitors Bureaus, and a listing in the Illinois Travel magazine. Our relationship with the Illinois Office of Tourism (IOT) allows for promotion of local events and attractions on the enjoyillinois.com website and social media exposure to the IOT's social networks. To remain a certified bureau, the SCCVB must be a regional organization representing multiple communities, and have a separate budget and staff devoting their full-time expertise and attention towards tourism promotion.

Our mission is to promote Greater St. Charles as a destination for meeting and conventions, motorcoach tours, sporting events and leisure getaways to enhance the economic impact to our community through increased visitor spending and guest room consumption. From this Mission we have three goals:

1. **Group Business Goal** - Develop relationships with planners to bring new group business to St. Charles hotels. We target associations, conventions, sports tournaments, retreats, reunions, government, motorcoach planners and more. This is done through:
  - advertising,
  - direct sales calls to planners, and
  - meet planners face-to-face at tradeshow.
  
2. **Leisure Goal** – Introduce Greater St. Charles as a vacation destination to families, couples, and individuals outside of a 50-mile radius. We do this through:
  - Print & Digital Advertising (AAA Living & Midwest Living),
  - Chicago Plus Co-op,
  - Fox Valley Co-op, and
  - Illinois Office of Tourism promotions.
  
3. **Increased Visitor Spending** - Be a quality resource to visitors and planners to enhance their visit by connecting them to the features of our destination matching their interests and needs. These features include hotels, activities, restaurants, attractions, entertainment, shopping, and events.

Our focus is to fill hotel rooms and to be a resource. This results in numerous economic benefits to our communities:

- Continued generation of hotel/motel tax to fund the Bureau's marketing efforts, City's services, arts and other programs, and to reduce the tax burden on residents
- Visitors eat, drink, visit attractions, and buy gas in our communities generating more tax revenues.
- 

Our organization has experienced a number of challenges since starting our new fiscal year July 1<sup>st</sup>.

- We have lost three full-time employees: Executive Director, Senior Sales Manager, and the Marketing Manager and Festival Liaison.

- The City staff has initiated a series of meetings with our Board members and some of our staff to discuss the Bureau's role and the other organizations' roles in the community. Since the results of these discussions could affect the direction of the Bureau, replacement of the Executive Director and Marketing Manager have been delayed.
- Staff duties were reorganized with our two remaining sales members dividing all of the markets between them. A temporary marketing assistant was hired until long-term decisions could be made.
- Local funding cuts on top of the uncertainty with the State grant funding created additional challenges with how to best utilize the funds available.
- The State budget impasse has reduced the amount of reduced state initiatives

The loss of the additional sales person is shown in the group sales stats for the first two quarters. Marketing activities includes telephone calls, online information requests, reader responses from advertising placements, e-blasts, and referrals from the JackRabbit booking widget to the hotels. This is also showing a decline. These declines can be attributed in part to the lack of funding for advertising on the State level for the Illinois Office of Tourism.

The last six months we have been able to accomplish some things in spite of the short staff. We have a new website in the final stages of development. It is responsive so the layout will adjust to the size of the screen viewing it, cell phones or desktops. It was designed for group planners and vacationers in mind. It has more images and is more flexibility, and staff can update or add pages as needed. It is expected to be live this month. We've also organized the 30<sup>th</sup> Annual Scarecrow Fest and was successful with an estimated attendance of 140,000 people; followers to the Scarecrow Fest Facebook page increased by 1,000 people. We received positive feedback from the changes to the new layout of the Filling Station lot and the standardized food vendor signage. Thanks to all those city officials and volunteers who helped out during that event. We've also change the information displays that appear in the parking garage. The RSS feeds show more than one event and have featured videos that are rotated periodically, and have slides that promote events, activities, and hotels that are updated on a regular basis.

**Moving Forward from January to July 2016:** With Local Tourism Convention Bureau Grant funding approval in January, our marketing plan was revised to include: a partnership with Helms Brisco (HB), an organization of individuals who book events for corporations and other organizations. These planners are given preferential treatment to venues and destination that are partners. We received a report from HB for the 2015 calendar year showing nearly \$120K worth of business was booked in our area. With the Partnership we will work to grow that number by reaching out to planners who are booking in our area, to new planners, and attending the annual tradeshow. We will be doing a variety of different digital advertising targeting both group planners and leisure vacationers. These opportunities will direct people to our website and may result in a trackable telephone call, request for information, or referrals to the hotel's website through the booking widget. We will be able to review the results of the promotions based on referrals to our webpage. We are coordinating a familiarization trip in April for qualified group planners to tour event venues and attractions. To date we have three planners expressing interest, one is a Helms Brisco planner who books for multiple events.

Design and production of the 2016-2017 Visitor Guide is underway. We will be producing several videos in the next few months. One specifically requested by our hoteliers to assist in the sales process will feature attractions of the destination that hoteliers can send to prospective clients as a YouTube link. There will a version of this with Nick and Michelle speaking about the destination and the services the Bureau is able to provide to the planners. The other videos will feature new attractions and some restaurants. We will also update existing videos that have out dated information. These videos will be used on the information monitors and on social media.

With the uncertainty of state funding next fiscal year, we are planning several placements in our next fiscal year starting July 1 to ensure that promotional messages for our destination continue into that period.

The value of the Bureau is in part to the services provided to the hotels. The Bureau supports hotels through creating awareness of St. Charles. We provide services for groups including press release distribution, ideas for offsite activities, hostesses for registration, welcome bags for attendees, and lists of other activities happening during the group's stay. We are also a destination resource for hotel staff.

To quantify the value of the Bureau for the leisure market, a conversion study was conducted last spring. We provided a list of emails to the university team who contacted the visitors. The study showed an estimate economic impact of \$2.38M to \$4.26M as shown on this slide.

To quantify the sales activities for this period, we look at two sources of our sales leads, Connect MarketPlace and Cvent. Connect generated 8 leads with 6,150 room nights. A very conservative estimate for economic impact would be \$615K should each of the pieces of business book. This number reflects the average daily rate for the Fox Valley area listed on the November 2015 STR report and assuming the guest would at least buy lunch at \$10. This does not include other dollars likely spend in the community for dining, shopping, gas purchases, theater performances, etc.

The second source is Cvent, which is like Expedia but for group business. It provides information about meeting venues. As a Bureau we receive leads from event planners that we pass on to the hotels. Using the same \$100 figure per room night, these would generate \$1,084,300 for the community if booked. Contract negotiations can take months so it may be awhile before we know if these will go to contract.

You are invited attend quarterly meetings with the hoteliers.

- The next one is April 28 at 3:00 p.m. We go into detail about the sales and marketing activities for the quarter and seek feedback from our hotels.
- Attend the annual Governor's Conference on Tourism in Springfield this year.
- Please feel free to call, email or stop by with any questions you may have.

**Vice Chair Payleitner:** This is for information only but does anyone have questions?

**Ald. Lemke:** That meeting in Springfield, what is the date?

**DeAnn:** March 21 – 23 with the longest day being Tuesday. So if you're only able to attend one day the bureau would pay for your registration.

On behalf of the staff and board of directors we would like to thank you for this opportunity to speak and for your support.

**b. Presentation update regarding City's Financials for 3<sup>rd</sup> Quarter ending January 31, 2016 – information only.**

**Chris Minick:** January 31 represents the end of the 3<sup>rd</sup> quarter of the City's fiscal year and included in the packet are the summary financial statements and results. Overall the financial performance of the City and four main operating funds of the City have been positive through the first three quarters of the year with the General Fund and Electric Fund posting surpluses or projecting surpluses for the fiscal year's activity. The Water Fund and Wastewater Fund are a little more challenged in the cash basis but there are some timing differences that enter into that.

In terms of the General Fund we are projecting, at this point in time, \$42.25M of revenues which represents an overage of our budget of \$500K or 1.2%. Sales taxes, income taxes, hotel taxes and alcohol taxes are all projected to end the year above budget within in the confines of the General Fund. We are anticipating about \$41M of expenditures in the General Fund which is about \$1.7M below the budgeted amount or 4%. That will result in \$1.2M surplus in the General Fund fiscal year ending April 30.

Electric Fund sales are below projections. We haven't had as many kilowatt hours of electricity as we had anticipated in this fiscal year. That is primarily related to the cooler summer that we experienced last year; but those revenue shortfalls are actually offset by lower than anticipated wholesale power purchases and are anticipating the projecting of the Electric Fund will end the year at \$2.1M surplus because the revenues are projected to be 1.7% below budget and expenditures are projected to be 3% below budget for the fiscal year.

Water Fund was also impacted by the cooler and wetter summer than normal. Operating revenues are projected to be down about 2% in that fund and with revenues below budget by 1.1%. On a cash basis we are anticipating a projection of \$430K deficit; however much of that deficit is attributed to the timing difference between some capital projects that we have ongoing this particular year and bond proceeds that Finance has kept in our projects that were actually issued back in fiscal year 2015. We account for those timing differences; we're actually projecting a \$717K surplus in the Water Fund for fiscal year ending April 30.

Wastewater Fund or Sewer Fund – its operating revenues are also depending on water billings so they are also trending below budget at this point in time. We are anticipating a shortfall of \$270K or roughly 2.5%. However we are anticipating our expenditures to be 1% below budget or \$113K below budget. It is also experiencing the same phenomenon as the Water Fund where we had some debt insurances for some capital projects that were performed in 2016 but the

bonds were issued in 2015. Again we account effects for those timing differences; we're actually projecting \$94K in the Wastewater Fund.

The financials and statements were enclosed in more detail in your packets and I'll be happy to answer any questions.

**Ald. Turner:** There's something here under the General Fund, property tax collections are slightly behind. Property tax assessments challenges and non-collections – is that the county's responsibility vs. the City's?

**Chris:** Yes, each taxpayer has the opportunity to challenge their assessments or the evaluation of their property. When that happens, those processes takes several months to a couple of years to go through the process, but when that happens – it has the effect of lowering the tax bill for that particular property owner – than that's reflected in what the county ends up remitting back to the City. The county will only remit back to the City those property taxes that they actually collect as our portion of the property taxes. So that's the phenomenon we're seeing being played out now.

**Ald. Silkaitis:** How much money does the State of Illinois owe the City – do you have any idea?

**Chris:** They're actually pretty current in terms of the amount that they're paying to the City right now for the operational types of revenues that we get from them. There were some grants that were put on hold by the administration that had been previously awarded to the City a year or so ago. That's actually the only money that is owed right now.

**Ald. Silkaitis:** So they pretty much are up to date paying any bills the City has sent them?

**Chris:** They always have had a bit of a lag, but in terms of the ongoing revenues that we get in our share of distributions of the various taxes that the state collects, it's not substantially worse than it has been historically. The utility bills have started to be paid again recently. There was a significant gap in the utility bills for some of the state facilities but the payments on those have been coming in sporadically well.

## **5. Police Department**

### **a. Recommendation to approve a Class B and C Late Night Permit requests (1:00 a.m. and 2:00 a.m.) for FY16/17 renewal period.**

**Chief Keegan:** I would like to familiarize the committee what we expect to accomplish here this evening. Back in 2014, prior to my arrival here as your Chief of Police, Mayor Rogina and City Council passed what we now know as the Liquor Control Commission (LCC). It is comprised of five members: Mayor Rogina, Aldermen Payleitner and Lewis, and two private citizens that are appointed from the Mayor's office. The commission not only oversees the recommendation of issuance of licenses, but also oversees any kind of negligence, willful acts of misappropriation of the license itself, or simply put violations. Also as part of the LCC ordinance that was passed two years ago, we developed as a city the late night permit process. All class B and C licenses

(restaurant and taverns) get licensed for midnight and have to apply for permits of either 1:00 a.m. or 2:00 a.m. Currently there are 24 licenses in front of you. Thirteen licenses are asking for a 2:00 a.m. permit and eight licenses asking for a 1:00 a.m. permit.

Some of the things I look for in making a recommendation to this committee is I look at not only the background and some of ancillary calls for service that you'll see codified and stipulated in the memo I provided here, but I also look at the organization/establishment's willingness to cooperate with law enforcement, the willingness to take corrective action and ownership if there are problems in their establishment, what kind of training they've been willing to go through and the outreach efforts, communication with us, and also proactive steps. I'm happy to report that since I've arrived here as the chief, we implemented the Illinois Control Commission to come out and Mr. Lee Roupas has done that at least four times since my arrival and the results have been very positive. The outreach efforts have been that when there has been problems/issues, there's been a dialogue established between both myself, the staff, and tavern/restaurant owners. I've seen some taverns take proactive steps whether its abatement plans or purchasing software or card reader scanners to really make sure that folks that are coming and going from their establishments have valid identification and haven't been banned for unruly behavior.

Also I would to commend the cooperation and efforts of my staff. I've been a police supervisor for the majority of my career and I have been very impressed in my 1-1/2 years here how St. Charles polices our entertainment district. Our officers do a fine job each and every night and some of you have ridden with my staff and I try to get out as much as I can. We use the cliché that an ounce of prevention goes a really long way in curbing unruly behavior. We actually encourage our bar and restaurant owners to call us if there's problems. You'll see some of the calls for service are never going to be zero; sometimes they're going to be cyclical from year to year but what I look for is are they cooperating with us, their willingness to improve and dialogue, are we greeted into an establishment with open arms. I'm happy to report, although the activity you're going to talk about is not at zero and I don't think it ever will be – I've seen a willingness to have dialogue with us when there's been issues/incidents. We've sat down and worked through them and have come up with some good solutions moving forward.

I would like to draw your attention to item I, subsection 4 of which we're here to discuss tonight. It says if there is any cause to reduce, suspend, revoke a late night, from the Police Department perspective, we have to see repetitive cost for service indicative of underage patrons, over service of patrons, or liquor license violations affecting the safety of the general public where the licensee is not taking proactive measures to abate the problems.

Of the 21 establishments listed, 13 have asked for 2:00 a.m. and 8 have asked for 1:00 a.m. You'll see some calls for services and those are calls where a police report has been initiated or originated. The next column is any written warnings that have come from the Liquor Control Commission. I and my staff review calls each and every day. I'm in constant communication with the Mayor's office, John McGuirk, Mark Koenen. If I see things, I will try to nip it in the bud and get things handled on the front end so it doesn't become problematic. In the calendar year of 2015, four letters were sent out from the Mayor's office. The next column shows arrests that stemmed from individual establishments. Fourth column addresses any local ordinance

citations which is a direct nexus from that establishment on any ordinance that we take a zero policy stance on. The last column, most important, is that there were only two violations in all the establishments that were filed in front of the Liquor Control Commission.

As a conclusionary statement, I'm happy with the progress that I see. We implemented the Liquor Control Commission just prior to my arrival and it was definitely something that the City made part of my hiring process and I'm here to tell you two years later that I think it's working, I'm happy with the progress and communication that's been established. I'm seeing a willingness to cooperate and learn from the past.

**Vice Chair Payleitner:** Kudos to your department. In talking from the trenches of the Liquor Control Commission, I also want to express my appreciation for the relationships you've established with the businesses and ongoing dialogue and their willingness to improve, such as, it's not my fault but what can I do to not make this happen again. Thank you for the chart in our packet in making the distinction between incidents vs. violations and what these numbers mean in the course of a year.

**Ald. Bancroft:** I agree with the kudos to your department. The number of incidents being reported in this fashion concerns me. It concerns me to the point you make at the very end, we want to encourage people to call if there's a problem; is that driven by an ordinance, do we have to report that in this meeting? I think it's misleading. I don't know if it's much information for us. Anyone can look at this and two establishments have a lot more calls but it's sort of irrelevant.

**Chief Keegan:** Good point, I was guarded against this because I don't want to see a tally system here where someone sees the numbers and may think someone is losing institutional control. It's never going to be zero. What we look for is if there is not a liquor control violation or warning, I'm not saying the calls are irrelevant, but often times it's our encouragement that when you have the amount of people that we sometimes do in our establishment, I prefer transparency and gave you all the numbers, but sometimes they can be misleading. The key element is we're seeing their willingness to call us, we're not being shunned away and there's a good level of understanding between the proprietors and the police staff. It's a good point. I would like to tell you how many liquor control violations there are but it's not as transparent as how this ordinance was designed.

**Vice Chair Payleitner:** I would agree because we also get our daily reports and we see those numbers.

**Ald. Bancroft:** I just don't really know what to do with that column of numbers other than to encourage people to call if they have problems.

**Ald. Turner:** There were only seven violations that resulted in fines – looking under commission and violation citations – is that it?



**Chief Keegan:** To break it down further, local ordinance citations – 4<sup>th</sup> column; obviously there is an assumption of innocence and I can't say it automatically resulted in a fine, per se. Both those were the folks that we saw direct nexus to the establishment in some sort of ordinance violation. In laymen terms you're right and in the last column of the two that were cited there was an adjudication of them being liable. So in all seven there was some sort of penance involved but I don't know to what extent.

**Ald. Turner:** From what you just said, is the local order citation – that's against the patron for someone who is public urinating? So the only two violations from the Liquor Commission, that was actually fines paid by the establishments?

**Chief Keegan:** Yes. The ordinance is against the person and the Liquor Control violations are against the establishment.

**Mayor Rogina:** As a footnote to the Chief, I'm very happy with the progress that we've made here. I commend the Liquor Commission as well. Ald. Bancroft makes a good point that we don't want them to stop calling for fear of retribution, but on the other hand as the Chief articulated, <http://foia.ilattorneygeneral.net/training.aspx> to make it a fun entertainment experience without the rowdiness developing and making a disturbance.

**6. Executive Session – None.**

- Personnel 5 ILCS 120/2(c)(2), 5 ILCS 120/2(c)(5)
- Pending Litigation 5 ILCS 120/2(c)(4)
- Probable or Imminent Litigation 5 ILCS 120/2(c)(4)
- Property Acquisition 5 ILCS 120/2(c)(3)
- Collective Bargaining 5 ILCS 120/2(c)(1)
- Review of Minutes of Executive Sessions 5 ILCS 120/2(c)(14)

**7. Additional Items from Mayor, Council, Staff or Citizens.**

**8. Adjournment**

Motion by Ald. Lemke, second by Turner to adjourn meeting at 8:10 p.m.

**Voice Vote:** Ayes: Unanimous; Nays: None. Vice-Chair Payleitner did not vote as Vice Chairman. **Motion Carried.**

:tn