

Minutes
City Council Fall Retreat
September 25, 2021
8:00 am – 12:00 pm
Police Department Community Room

Open Meeting/Roll Call

The Meeting was called to order by Mayor Vitek at 8:00am.

Present: Ald. Bancroft, Ald. Lencioni, Ald. Pietryla, Ald. Wirball, Ald. Bessner, Ald. Weber,
Ald. Silkaitis, Ald. Balla, Ald. Payleitner, Ald. Bongard

Absent: None

Welcome and Introduction

Mayor Vitek welcomes everyone and goes over some housekeeping items. The Mayor talked about the "Parking Lot." The "Parking Lot" is reserved for topics that aren't on the agenda. These topics will be written ("parked") on the whiteboard for follow-up at a later date, put in a City Council Update, or on a committee meeting agenda. Mayor Vitek stresses the importance of participation and communication and reminds everyone that the Retreat is a public meeting and transparency is crucial.

1. Strategic Planning Session Update

Mayor Vitek

Heather McGuire, City Administrator

The Mayor said the intention was to conduct a strategic plan in 2020. However, due to Covid and staff transition, it was not the time. The Mayor and Heather set a goal to begin the next Strategic Plan in the summer of 2022. The discussion will be more productive when new staff is in place and the new council members have more experience and vision.

Heather McGuire talks about the importance of the Strategic Plan to the City and how it's equally important to give it the time it needs. She said a special workshop dedicated to the Strategic Plan will be arranged and asked that the Council Members send her their ideas for discussion.

Alderman Bancroft questioned whether the City is committed to Sikich to conduct the next Strategic Plan. Heather said that she would be happy to release an RFP. Alderman Bessner asked if it would be a five-year plan? Heather confirmed that is the intention.

2. Finance Discussion

Nick Narducci, Financial Consultant

Colleen Lavery, Assistant Finance Director

Mayor Vitek states the information is quite detailed and will be new to most council members. The Mayor is looking for feedback on revenue enhancement and expenditures.

Heather introduces Financial Consultant Nick Narducci. When Chris Minick left the organization, the City hired Mr. Narducci to support Colleen Lavery in reviewing long-term debt planning and the budget.

Heather states the information Mr. Narducci will provide is very important and will set the stage for the strategic plan and budget process.

Heather stresses the need for a strategic approach to how we take on debt and maximize revenue if we want to continue to meet the high service level expectations of the City. Heather states her goal for the next few years is to obtain the AAA rating.

Nick gives an overview of his background and explains he was the Finance Director for the City of Lombard as well as the City of Oak Park previously. Nick also worked with Heather McGuire for several years at Crest Hill. Nick thanks Colleen Lavery and the finance staff for being generous with their time and sharing their institutional knowledge.

Nick states part of a Strategic Plan is to provide the framework for all the decisions made throughout the organization; for the next few years, the Strategic Plan, debt, and pension issues are the focus. Nick reviews the Moody's credit rating and notes the City's rating is stable, second from excellent. Nick says the Council should decide if they want to pursue an upgrade (AAA rating), but most importantly, prevent a downgrade.

Ald. Lencioni asks what percentage of municipalities achieve AAA ratings. Mr. Narducci references the list of cities with AAA ratings included in his report. Ald. Bessner asks about Geneva and Batavia's credit ratings and if St. Charles has ever held a AAA rating. *Staff will look into this and provide it at a later date.*

Nick says that St. Charles has a high tax base and strong reserves, also an increased debt and pension burden. Nick explained the Moody's credit rating and the credit strengths and challenges. To obtain a credit upgrade debt and pension needs to be reduced. A downgrade could occur if there is a decline in reserves or if debt/pension further increases. The debt and unfunded liability are the items of concern. It takes several years to address pension liabilities, about three years to plan, and another three to four years to implement that. Nick recommends that the City meet with actuaries annually when they do the audit and review the reports in order to develop a plan. The actuary will know what's going on in other municipalities in the State, and pension liability issues are common. The budget process will be impacted.

Moody's is clearly asking that the debt burden be reduced. There are several management policies that can address this, and any updates would be shared at the next ratings call. The City has a debt policy and this should be reviewed and adjusted. Some issues to deal with, including upcoming debt issues that need to be funded.

Current debt position is \$153 million, increasing to \$160 million this year, and Moody's has said that's too much. The debt has increased \$45 million over the last five years.

Reserve projections in last year's budget presentation show that St. Charles will be dipping into those reserves. Avoiding using the reserves is important for the credit rating, and those are difficult decisions. Need to be careful about making changes since people move to this community for the services.

Heather pointed out the projection for FY 2025, reserves hit 10%. Ald. Bancroft asked what has been done the last five years with reserve balances. Colleen responded that we have been in 40%. Heather explained that we do not have the revenue to support the debt payments and also maintain the reserve funding level of 40%. Ald. Bancroft says that if staff wants meaningful input from Council, tell them the truth. Give us an accurate budget, allow us to participate in planning. Heather stated that she tends to operate with a tight budget, within +/- \$50,000, and not overinflate, also maintains services.

Ald. Payleitner asks if Moody's consider why reserves are used. Ald. Bessner has seen the 5-year plan, the 5th year was the dire situation. Felt like it was a way to scare the Council. We should look at revenue sources.

Heather does not want to get to a point where we plan for a deficit, and hoping things will work. Colleen is a CPA and well versed in looking at these things. Want to plan for a better result in 2025 than is currently in the forecast. Our debt is increasing more significantly than it had been, and an excess of 1-2 million at the end of the year is not going to make up that deficit.

Ald. Silkaitis asks if a AAA credit rating makes a big difference when it comes to bonding. Nick responded that the higher credit rating gives potential for more investments and access to lower rates. It also counters lending preconceptions. Because we are in Illinois, we pay a higher rate, and with AAA that changes. When businesses outside Illinois look at the investing in St. Charles, including for economic development, they use the rating to help make that decision.

Have to decide if it's worth it to plan to increase the credit rating. Most importantly we don't want to decrease the rating.

Ald. Lencioni asks to see a more detailed proposal regarding the AAA rating. What is the cost, and what are the specific benefits that St. Charles would expect to see? Some of the benefits cannot be foreseen or quantified. Heather stresses that we should strive for the highest possible rating, so when opportunities arise we are positioned to take advantage of them. Ald. Lencioni would also like to understand the effects are of a downgrade.

Ald. Bancroft observes that we don't have the same tax base as the other Illinois communities that have the AAA rating. The focus should be on maintaining the current rating. Make sure we're not making decisions toward an unattainable goal. Heather responds that there are some simple things that can be done with pension and other decisions that are not very impactful to the budget or how we operate. Nick says that it's most important not to take a downgrade because it's a long road back. Need to decide what you want to offer, and on what types of services.

Ald. Bancroft asks what has been done in the last five years that has created the trend toward a credit rating downgrade. Heather answered that the current forecast is impacted by the debt service payments coming due. Colleen also responded that last year the City had a \$3.2 million surplus because of the following:

- \$1.9 million CARES grant.
- Decision not to fund the planned \$1.4 million to the equipment replacement fund, though still purchased a fire truck for \$1.3 million. The prior year we didn't fund the equipment replacement fund for \$700,000.
- Staff turnover and retirements in the Police Department.

Surpluses are coming at a cost to other funds and infrastructure that may not be easily seen. Projects were pushed off, other funds shorted, and our assets become costlier to maintain. Nick is going to discuss 10-year plan. You will see where the decisions need to be made and we are going to have to start doing these projects.

Ald. Bancroft asks whether this was communicated clearly in past years. Heather responded that's why she wants to make sure everyone is on the same page and understands the background when recommendations are made later.

Ald. Balla asks about the budget for the last ten years, what were the budgeted and actual reserve amounts, and what were the factors that lead to that. Wants to see annual numbers, what was planned and significant variances. Colleen commits to providing this type of details when the budget is addressed at the retreat in February.

Ald. Bessner asks about the TIF Section and whether the 1st Street TIF will need additional funding. Nick uses this segue to start the TIF discussion. St Charles' signature piece is the downtown. Area, and that needs to be kept up. Other towns compare themselves to Naperville and St. Charles. Shortfalls in the TIF, and reasons for those, need to be identified and addressed. It will take some time to do that. The TIFs are a burden on the general fund. There is some property that could be developed. Do what it takes to maintain TIF district, maintain economic development, and protect the whole downtown.

Protect the credit rating consistently, through each budget year, and take a long-term view. Look at incremental adjustments.

Moving on to the next topic, revenue enhancement recommendations. Want to hear from Council about what is tolerable. This is the start of the conversation and there will be further conversation later on each of these.

Revenue comes from residents, property owners.

1. **Credit card processing fee** – City currently covers this fee of 3.5%, which amounts to \$220,000 annually. With increase in residents choosing to pay utility bills via credit card, the amount of these fees is increasing. Passing this fee on to the customers is typical, and would be an easy increase to the general fund. Customers could opt to pay in other ways to avoid the fee.
2. **Property tax levy** – City is permitted to increase a certain amount yearly, based on inflationary measures. The City has chosen not to do that. The target dollar amount from previous year is the tax base, and the percentage may go up or down. Covers inflationary costs. An increase of \$15/year for a \$300,000 home if we rose to the truth in taxation level. Will continue discussion.
 - a. Ald. Payleitner commented that the superintendent of schools explained why the schools do that, and they never get push back even though their taxes are 70% of the total property tax and the City is only 10% of the total. This is money on the table.
 - b. Heather suggests the City could explain to the residents why this is being done, with charts and what it means to the average resident. Education is the key. Every year we put this off, we are looking for money to make it up.
 - c. Ald. Lencioni asks if the City would show changes in EAV as well as tax rate, to cover both components. Heather says charts would show 3-year look back.
 - d. Ald. Bessner acknowledged that Ald. Balla wants no tax increases. When do we look in the mirror and say that we need more revenue to maintain the services. As we have increased electric service rates over the years, will we need to also start raising taxes? Heather: we will get to a point where we have to look at finances vs. services levels. Education is going to be key to this. Residents, both long-term and newer, have a level of expectation of the services that the City will provide.
3. **Business license fees** – small amount of revenue, and want to continue to be a business-friendly community. Need to be careful and not increase too much. Something to look at implementing. This program would include a registry, which is a good way to which businesses are here and what is turnover. Heather: \$100 is not a large amount. It would be possible to still create the registry and not have a fee.
 - a. Ald. Payleitner asks whether all businesses, including home-based, would be included. Worry we would not be able to get all of the smaller businesses. Heather: Possibly could waive the fee for the first year.
 - b. Ald. Lencioni asks how would this be enforced? Heather: Typically, by administrative ticket, adjudication, code enforcement would charge a fee until compliance is gained. This would require administrative oversight. Heather: It would be vetted out more if decided to pursue. We don't necessarily want to dedicate staff time to enforcement.
 - c. Ald. Bancroft asks how we would define a business. Heather: Would be addressed with new director, attorney, and through committee meeting or workshop. Would be an extensive ordinance to define the process.

- d. Ald. Payleitner says this was discussed years ago and received much push back. It's a small amount of revenue for high administrative effort.
 - e. There is general interest from the Council to discuss this further. Ald. Bancroft thinks this is a bad idea, whether there is a fee or not.
4. **Real estate transfer tax** - Keep track of people moving in and out.
 - a. Silkaitis, Bancroft, Pietryla do not like this option, regardless of the fee.
 5. **Utility tax** – similar to electric utility, could be an electric tax and/or a gas-use tax. Can be a significant amount of money, and able to sunset once we arrive at comfortable level debt. Would be ~ 1 -1.5% - on utility bill.
 - a. Heather: Historic older town, need to upgrade sanitary sewer, water lines, etc., and these things need money to maintain. Strategically don't want to throw all on residents, have strategic discussion how to impact residents and business owners the least.
 - b. Ald. Wirball asks what do the residents get out of this? Heather: All revenue goes back to the general fund and residents, like police officers, infrastructure, fire department. Everything we do benefits the residents. It could be earmarked for specific types of improvements.
 - c. Ald. Silkaitis comments that it's confusing to residents if there are additional utility charges that are not covering utility costs. While we might use those funds for a police officer, residents don't understand that. Heather: It's an education process, and the legislature has granted only a few ways to collect revenues. We have to satisfy our debt limits and people generally understand that.
 6. **Video gaming fees** – Ald. Wirball asks whether we could increase those fees. Chief Keegan explained that 18 months ago the City added a terminal supplier license fee, in addition to the existing operator fee. This is not a significant source of income. Additional video gaming fees will be added to the list of ideas to follow up on.
 7. **Water** – budgeted for a deficit. 10-year plan should be reviewed in detail during the budget process. It currently shows \$25 million of water improvements needed, and \$78 million of sanitary system improvements needed. These are the costs of an older community.
 - a. Water rate analysis was done, but rates were not increased accordingly. It's important to keep rates in line with the costs. Should increase rates to keep up with the capital and debt plans. Heather: in 2021 and 2022 the rate study recommended 9% increases and we have not kept up with that. We need to look at the rate study every year and adjust accordingly. We will do this in the next budget year.
 - b. Tap on fee – have not been changed since 1995. Suggest an analysis be done annually and maintain the rates accordingly.
 - c. Developer incentives – need to be sure to calculate tap on fees correctly to understand the true value of developer benefits.
 - d. May need to be more aggressive about meter replacements.

Final recommendations: Nick asks Council to include in strategic planning, provide a framework for decision making. Be sure to have the needed information when making financial decisions. He acknowledges that it is difficult to look at these situations and increase revenue. Heather says these possible revenue enhancement ideas will be discussed further for decisions to be made in in committee meetings.

Final questions from Council:

- Ald. Bancroft recommends that the group be careful on how the numbers are presented. Need to see benefits as well as costs, and avoid presenting as "what we gave away." Development incentives have a benefit on the other side, as well as intangibles.
- Ald. Balla asks how do we lose 2% of water every year for the last five years? Peter Suhr responds that it is mainly due to old infrastructure. Meter replacements would help. We strive for 10%, and now pushing 22-24%.
- Ald. Payleitner asks whether we need to fund all of the infrastructure with enterprise? Heather responds that we are not bound by law to do that, but our fees should be self-sustaining. Ald.

Payleitner worries about making utility bills out of reach for retirees, who comprise 25% of our population.

- Ald. Wirball asks if we can consider using cannabis revenue to help with infrastructure costs. Heather: we can use general fund monies for that. Even if we earmark certain funds for specific projects, we still need more money overall to fund the existing services.

Break at 9:25 am, reconvene at 9:40 am.

3. Parking

Chief Keegan, Police Chief

Peter Suhr, Director Public Works

Russell Colby, Asst Director, Community and Economic Development

Heather introduces the topic that several aldermen have asked about. In working with various departments, and looking forward to ongoing business development, it became apparent that this is a larger topic that we have the resources at staff level to fully tackle. We will look at existing parking structure and signage and provide a recommendation to do a long-term study on parking needs.

Chief Keegan discusses the parking counts by garage and public lot. Let's start with the question, Is there adequate parking in downtown St. Charles? Chief worked with the St. Charles Business Alliance to create maps and capacity of all downtown lots. 1st Street area became an issue with timed parking when more businesses were established, especially at Illinois and 1st Street.

Chief Keegan provided the number of spaces available by quadrant (division points are the Fox River and Rt. 64). Not all spots are City owned, and some are partnerships with businesses.
Quad 1 (NE) - 327 spots; Quad 2 (NW) – 242 spots; Quad 3 (SE) – 146 spots, Quad 4 (SW) – 827 spots; Total = 1542 spots.

There are also private lots utilized by visitors. Example, north of State Street, west of Rt. 31 is an "Anderson" lot. There are several owners with adjacent lots which are used by visitors. Some have relocation (towing) companies. We don't get a lot of complaints about this. Unfortunately, visitors can't tell what is public/private and don't know if they will be towed. Some of the relocation signs are faded and unclear.

Ald. Wirball asks how long are the leases. Peter says that PW manages, about a dozen in quantity. Usually 10 years and many have been renewed in last 3-5 years. Can be renegotiated at any time. There is a lot on Main Street, associated with church, which has had a sale sign for quite some time.

Heather is struck by the discrepancy in number of spaces on east vs. west side, particularly with Arcada visitors who likely want to park near their destination. Makes sense to look at the east side.

Ald. Bessner asks about the lots with unclear signage. This will be covered by Russell Colby in the next part of this topic.

Ald. Lencioni asks what is the point on relocation. Chief Keegan wants to stress that business owners have the option to enforce the relocation, and it's unclear to visitors where they may park. Heather: we want to help people find designated public parking.

Ald. Weber asks about weekdays vs. weekends, can we consider those fluctuations in the parking needs study? Heather agrees and wants to use a consultant to differentiate weekend, weekday, holiday, festival traffic needs.

Russell Colby talks about parking signage. We are currently using various designs and sizes, varies by lot. Not recognizable branding, and we want to have a consistent image for entering lots. Same issue with parking in private lots because there isn't clear signage. Other communities have identified parking more effectively. Best practice is to use "P" to note that driver is entering a public parking facility. No need to do expensive "historic" type or decorative branding, this can effectively be done on a simple standard sign. Russ shared some visual examples from other communities. Wayfinding signs are another option to direct. Key is to post the signs higher and make sure they are clearly visible.

Ald. Bessner asks how many signs need to be replaced? Russ: We would need to be inventory those. Some existing signs could be refaced/reused with consistent branding.

Ald. Bongard asks about the expense difference in elaborate vs regular signage. Could City sign shop create those? Pete says that his team can create the basic green "P" signs and anything more elaborate would be a bigger endeavor.

Ald. Bancroft asks why are we talking about this, he personally never has a parking issue. Heather explains that when she was approached about the parking issues, she came to realize that we need a lot more information and data to determine where/if we have a problem and where to concentrate our efforts. Ald. Wirball says that Quadrant 3 is the main issue.

Ald. Balla says Arcada/Pollyanna area on a Saturday night, people are parking blocks away in the residential streets. On weekdays, the garage next to the Office is full during the day, mostly with the employees of local businesses.

Ald. Payleitner says that signage is important, especially for nighttime visitors. Will there be a conversation with private lot owners? Chief Keegan says we don't get many complaints about cars being relocated. Some lot owners are unhappy with the public parking there, but may not relocate the cars. Because of unclear signing, visitors don't know where they may park.

Ald. Pietryla asks whether the downtown SSA could pay for parking wayfinding signs. Nick Peppers responds the down town SSA could pay for downtown signs. Ald. Pietryla also asks whether we can require the private lots to have a certain type/font/visibility of signage. Nick advises that they are already doing the minimum that is required by the State.

Chief Keegan adds that there is parking but some don't know where it is or want to walk to it. For example, there were countless issues with ALE employees parking locations when levels 3, 4, and 5 of the deck were empty. Also, Regus tenants, Ginger Root employees, and others are using 90-min parking on 1st Street. The Police Department tries to be friendly and not write a lot of tickets. Try to visit businesses and ask them to have their employees park in the longer-term spots.

Ald. Lencioni believes that employees and residents know that they won't be towed, so ignoring the parking time limits. If we start towing, people will be upset. He advises we should ticket more often. Find a carrot to get people into the upper levels of the deck, such as sculpture or other attraction. Think about it differently and develop creative solutions. Another idea is a voluntary business tax for extra services, i.e. parking. Colleen says that there is such a levy for SSA1.

Ald. Wirball would like the City to collaborate with private lot owners. Ald. Payleitner remembers that we used to have dedicated parking management downtown, and possibly we could do that again.

Peter Suhr raises the topic of parking costs. Collected some very broad information and reluctant to throw out numbers, please understand that these are estimates.

It's notable that the 3rd quadrant in the SE has the least amount of parking. Public Works found a site that has potential for a parking garage, behind Pollyanna/Flagship, near the new apartment develop. If we build a 3-story garage, we could add ~150 spots, bringing the total to 250 for the quadrant. Approximate cost would be \$4.2 million, about \$28,000 per stall. Another spot in the NE quadrant, near the municipal building area, across from entrance to Century Station building. This would require purchase of homes, one was for sale recently, along State Avenue. This would allow for a 3-story garage, with entry at each level possible. We would gain 225 parking stalls at a cost of \$6.3 million. Russ Colby mentions that we need to be aware of historic significance of these houses, some would be more sensitive than others. Possibly we could look at houses further north as well.

Peter agrees with Heather that staff is recommending the use of a consultant to help us pull all of these concepts together. Find out how we compare to other communities, whether there are standards we would follow, public vs. private parking management. They could help us develop priorities.

Ald. Bessner asks if we can address the faded/unreadable private parking signs immediately. Heather says we can talk to business owners about that.

Ald. Bongard asks whether there is actually a parking problem. Heather has heard from both sides who are adamant about their position, and this is why we need a study to get good information. We can use that to decide what level of demand we want to accommodate.

Ald. Lencioni is curious about the revenue that is generated by each stall, and what is lost by not having enough parking. Heather says these questions will be included in the analysis.

Ald. Bancroft asks whether the council members believe there is a parking problem. Each person answers this question in turn. Mayor Vitek – we don't currently have a problem but we will; Ald. Lencioni – there is a perception problem; Ald. Bancroft – no; Ald. Weber – no, two years from now we definitely will; Ald. Silkaitis – yes and it will get worse; Ald. Payleitner, Ald. Pietryla, and Ald. Wirball all agree with Ald. Silkaitis. Ald. Bessner – agrees we should do the study, and wonders how we will pay for new parking. Ald. Balla believes there is a problem in quadrant 3, and plenty of parking in other areas but people can't find it; Ald. Bongard does not believe there is a parking problem.

Ald. Payleitner questions whether we consider it a problem when people are parking in the neighborhoods. Ald. Wirball believes residents have issue with weekend parking on their narrow streets.

The group agrees that staff should look at the parking comprehensively with a consultant.

Break 10:27 am, reconvene at 10:33 am.

4. Old Police Building RFP

Russell Colby, Assistant Director Community and Economic Development

Mayor Vitek is seeking feedback on what should happen with the pending RFP for the former police station property. The council has been waiting on this because of the pandemic and elected official turnover. The philosophy was to keep the RFP broad to find out what ideas will come to us. Mayor Vitek has heard from developers recently asking about this property. Staff is ready to release it now, and would like to know if there is any objection.

Russ provides some background for new council members. The 2013 Comprehensive Plan did not include a plan for the police station property. It's a long-range policy guide, a non-binding advisory document that serves as a vision and roadmap for the future. The amended Plan considers feedback from residents and the Plan Commission. The update includes recommendations for adjacent parts of the NE and NW quadrants.

The Plan is at a high level, addresses land uses, and is not as detailed as the RFP. It identified a large open area on riverfront, mixed use development, and potential location for a parking deck. Parking would be integrated into the project and concealed from street. It includes improvements along the riverfront, existing utility and well uses that need to be maintained, location of a parking structure, and identified historic structures.

Council adopted the Comprehensive Plan amendment in 2020. A workshop was then held to discuss parameters of the RFP document. Several points came from that discussion. The municipal parking lot may be included and any proposal would need to address the City's parking needs. Riverfront space needs to be preserved, and could be a shared public private space. Municipal center buildings should be excluded. Open to a Wow project that could include an incentive. The amendment mentioned that the City might undertake some of the environmental review and possibly demolish the police station building, to offer a clean slate. That has not been accomplished as of now because it was removed from the budget. Mixed use with commercial, hospitality, and residential, with any residential being on upper floors. Height guidelines indicated the City would consider taller buildings than are currently allowed by zoning. Considerations include developer qualifications, riverfront design, parking solutions, and consistency with Comprehensive Plan. Many details of submission requirements are also included.

RFP was discussed publicly in June 2020, prior to the pandemic. Staff was directed to hold off on issuing the RFP. There are a number of interested parties who have a concept and would like to understand the City's schedule. We would like to get direction today before placing it on a public meeting agenda.

Ald. Payleitner asks if Russ's presentation can be shared with the council and he agrees to do that.

Ald. Bessner asks how the Active River Project affects what we are doing. Russ responds that the resident feedback asks to keep the riverfront as open space, as 60-100 ft corridor. Makes sense to do that because of the access needed to the City well, and that open space provides for Active River Project improvements to be made at some point in the future.

Ald. Wirball asks if the RFP will have more details added or leaving it more general. Mayor Vitek responds that the council had decided to leave it more general.

Ald. Pietryla would City pay for the demolition? Russ responds that was the original intent, and going forward the City would not be obligated to clear the property. It would be part of the development, which could possibly be included in any incentives offered.

Ald. Silkaitis and Bancroft add that it would be easier to sell after existing buildings are demolished.

Ald. Bancroft adds that there is no reason to hold off on issuing the RFP. He feels it's unlikely that there will be a hotel proposal. He offers another alternative, to scale back requirements, and just ask for concept plans. Find out what creative ideas there are before asking developers to provide extensive details. Would like to see a Wow plan that offers the best use for the property. Heather feels that is a good strategy. Since there will be significant investment on a project at this site, asking for concepts allows the developers to avoid spending significant time/money on the front end for a proposal that may not be accepted. Ald. Wirball likes this idea and feels it opens the door to creativity.

Ald. Pietryla says it is more likely a developer would take on the cost of demolition if they don't have to absorb costs for detailed RFP.

Ald. Lencioni says there is so much development, we don't want to bite off more than we can chew. Ensure we have orderly development.

The group was in favor to move forward with the concept RFP.

5. Proposed Timelines for the Compensation Study and Department Director Recruitments

Jenn McMahon, Human Resources Director

Mayor Vitek shared that she, Ald. Bancroft, and Ald. Silkaitis are part of the compensation committee, along with Jenn McMahon. Jenn went over the process for the compensation study. Sent detailed documentation to GovHR to review, the survey was sent to comparable communities, and had the kick-off meeting with the City Council core group. The next step is the job analysis questionnaire for non-union employees, which is the labor-intensive part of the process. The City Council workgroup will get updates along the way, and we are on track to make a presentation to the full council in November.

Schedules for three recruitments have been provided, and GovHR has been responsive. The postings and the brochure will be made available for these positions to garner candidates from across the country. GovHR will do candidate screening and a 3-stage interview process. Finance Director is the priority, then Economic Development Director, then Community Development Director.

Ald. Bongard asks for a refresher on the responsibility and role of Economic Development Director and Community Development Director. What are we looking for in a successful candidate? He wants to make sure the City has a clear vision about what type of person we are looking for, and then we hold them accountable for delivering results. Heather responds that job descriptions will be distributed. Her vision of Economic Development Director is to market the City with a focus on the types of businesses we want to see in specific locations, for example 1st Street. This person would be working on targeted attraction of businesses to St. Charles. This is different than the work of the St. Charles Business Alliance, who promotes the City overall. This person will build relationships with partner agencies and advise how to leverage resources. Ald. Silkaitis feels this person's main job should be to "sell the City."

Ald Pietryla asks how many candidates will be offered to City Council for interviews. Jenn confirms that there will be two finalists.

Ald. Bessner asks whether the Economic Development Director will have an advisory role for the St. Charles Business Alliance and Chamber of Commerce to provide opportunities for more communication and transparency. Heather envisions yes, ideally this person would take on some of that interaction with those organizations that the mayor and city administrator are involved in now.

6. Council Requests

a. Spring Clean-up program

Several aldermen have asked about this program. Peter Suhr reminded the group that this had been an annual process where residents brought all garbage to the curb and the City would pick that up. In 2009, City Council cancelled the program, believing there was no longer a need for that. In 2012 there was a major flooding event that prompted the resurrection of the clean-up event. The community liked it and we resumed doing it every other year. Spring clean-up was missed in 2020 due to Covid because the service provider did not feel it was safe to do it during the pandemic. The cost is expected to be \$100,000-150,000, and is paid from the general fund. The question now is whether should we do it again in 2022.

Ald. Silkaitis gets weekly questions from residents who save up their garbage and want the program. This is important to him. Ald. Bessner also feels we should resume the program, possibly every other year. The cost is worth it.

Ald. Pietryla asks if we are required to use Lakeshore Recycling for this work, and Peter responds that we are required to do that until their contract ends in two years.

Ald. Balla feels this would be a good way to give back to residents if we are thinking of increasing other fees. Ald. Wirball agrees.

The group consensus is to do the spring clean-up every other year, and this will be put into the budget for next year.

b. Pedestrian Walk/Bike Plan

Heather says that there is no study or RFP created at this point, and that would need to be done if council wants to proceed. Peter shared that this program is a favorite of Public Works and we've been trying to get it into the budget for over 10 years. Having a plan like this to help manage the roadway and ancillary systems would be beneficial. The opportunity for grant funding is immense. There is some misinformation about what the bike/pedestrian plan would involve, there is not a common standard for what it should include. It can be anything we want. Generally having it would add to resident health and quality of life to facilitate additional walking and biking. Economic development component is to attract tourism, environmental benefits, and reduces vehicle traffic on roads. Community interest is growing

The Community had a plan that was created in 2003, prepared by the St. Charles Bike Facility Plan Task force. This group no longer exists, and was comprised of representatives from the City, Park District, and Downtown St Charles Partnership. This plan is outdated and obsolete.

Some of the larger communities in the area, like Batavia, Geneva, Elgin, Aurora, Naperville, and Chicago have implemented plans. All of their plans are different. A St. Charles updated plan would give us the opportunity to review and document existing conditions, street policy and changes needed for bike lanes, add crosswalks for safe travel. The consideration of purchase of the UPRR site to add to the trail system would be part of this review. Creation of a bike/pedestrian plan would include prioritization of any enhancements. Cost would be about \$75,000, it would take about 9 months to create, and could be included in next year's budget if the council so chooses.

Ald. Peitryla is in favor of pursuing an updated bike/pedestrian plan, and wonders if it is possible to cost share this with the Park District. Peter says that the Park District has their own plan, and a City objective would be to connect with that plan as well as the county and adjacent cities' plans.

Ald. Wirball feels this is an opportunity to improve public safety and thinks there are grant opportunities. He wants to move forward with this. Ald. Bessner agrees to move forward and wants to see more detail about the pedestrian aspect. He recommends each ward look at sidewalk gaps. Ald. Lencioni believes e-bikes are important to consider, and Ald. Bessner agrees.

The group consensus is to add the creation of a bike/pedestrian plan to the budget for FY22/23.

7. TIF Review

Heather wants to share with the group what are the active incentives as provide a TIF education for the group. Nick Peppers spoke about the recent decision to terminate a TIF. A TIF is a strong economic incentive tool that allows the municipality to capture incremental taxes in a project area. A TIF can only last for 23 years and can be extended by 12 years with State legislative action. The TIF act is convoluted and should be rewritten. Once qualified, the City decides how to use the funds. There are limitations on how the money can be used.

It takes 4-6 months to put a TIF in place. Some new TIF opportunities will likely be coming our way soon. City has 7 TIFs, and some will be ending in the next few years.

Heather adds an explanation about what is an increment. The frozen value means that the developer's tax is frozen and a percentage goes to taxing districts. Anything above those set expenses is available for the City to use. There is a component to protect school district revenue if many new students are added.

Ald. Bessner asks whether it is advantageous to offer pay-as-you go TIF. Nick feels that pay-as-you-go is the safer approach since it puts the burden on the developer. Bonding ahead of time based on anticipated development puts the risk on the municipality to pay that debt based on what is actually generated. There are still good reasons to do bonds and they aren't used as frequently as in the past.

Some discussion ensued about the facts around existing TIFs.

8. Quick Points

a. Charlestowne Mall Discussion

Heather shared that an application has been submitted. A staff member spoke with the developer about their intention and timeline. We are waiting for information and it will be passed along as available. We want to make sure they are going to commit to project before proceeding.

Ald. Wirball asks whether we will absorb utility improvements, like sewer and water, for Continental Springs. Heather says we assume they will ask for services to be extended to them, and we don't know yet what the request will be.

b. Clean Energy Legislation

Peter gave an overview of the complex topic of how power is received by the City. We are part of a group called Illinois Municipal Electric Association (IMEA). They purchase power for communities, and deliver it to the municipality. They bring it to our 9 substations and then we distribute it within our community boundaries. IMEA has 34 communities, from Naperville to Winnetka and between.

For the past 2.5 years under Governor Pritzkers' leadership, the State, just like at the Federal level, has been discussing movement to more sustainable energy. The Climate and Equitable Law Act was passed in September. It's a nearly 1000-page document and it will take some time to understand what it means. We will keep you updated.

Two high-level things enacted in this bill that will affect St. Charles. Firstly, decarbonation, which asks us to become carbon free by a certain date, turning off coal plants. We need to be 100% carbon free by 2045. St. Charles' 30-year agreement with IMEA ends in 2035. IMEA is a ~15% owner in the Prairie State Coal Plant in southern Illinois. Therefore, currently our portfolio is 60% coal, so the closure of this brand-new plant will impact us. Debt services end for this in 2035. St. Charles is doing better than other communities that will also be faced with these regulations.

We need to start building our portfolio to plan for the time when our contract with IMEA expires. IMEA portfolio contains 11% solar/wind, higher than ComEd at 4%. This is bad news, but St. Charles and IMEA are in a better position than many others.

Another big topic that the council will be hearing more about in the next few months is municipal co-op net metering, which is a system in which renewable energy, such as solar panels, is hooked into the public utility power grid. Surplus power is transferred out of the grid, allowing customers to offset the

cost of power drawn from the utility. Customers can now install solar panels on their homes. It can be limited and regulated by the municipality, but not wholly. Individuals and businesses were already allowed to do this and have bills reduced, but St. Charles has limited it to 2% of the total capacity. The reason we don't allow everyone unlimited ability to add solar panels is because we have a community system. The question that will need to be answered is what percentage will we allow our local residents and businesses to utilize this option. We have 180 days to figure that out and create a fair program. You will see a proposal in the next few months on what net metering will mean for St. Charles, and that will be consistent with what other IMEA communities will offer.

The last topic to mention is a federal level discussion which may impact St. Charles. President Biden has a goal 80% of carbon free energy by 2030. Electric providers would need to increase clean energy by 4% per year from 2023-2030. If this passes as proposed, Illinois would have to increase their clean energy usage dramatically (double and triple by year) over the next 8 years, or be penalized for noncompliance. Peter will continue to bring information to council.

Ald. Pietryla asks about net metering. Peter asked IMEA to compare how municipal-owned utilities fared vs ComEd and investor-owned utilities.

Ald. Lencioni asks how much private citizens are using of solar energy now? Peter replies that it is at the limit of 2%.

Close Meeting

Mayor Vitek thanks the council, staff, and Tracey for their time and involvement today. Staff has received good direction on the topics discussed today.

Motion by Ald. Weber, second by Bessner to adjourn the meeting at 11:56 am.

Roll Call Vote: Ayes: Ald. Silkaitis, Ald. Balla, Ald. Payleitner, Ald. Bancroft, Ald. Lencioni, Ald. Pietryla, Ald. Wirball, Ald. Bessner; Nays: None.

Motion Carried

Parking lot items

- [Video Gaming](#)
- [EMS Call Reimbursement](#)