

**MINUTES
CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, JULY 2, 2018**

1. Call to Order

The meeting was convened by Vice Chairman Turner at 7:42 pm.

2. Roll Call

Members Present: Vice Chair Turner, Ald. Stellato, Silkaitis, Payleitner, Lemke, Gaugel, Vitek, and Bessner

Members Absent: Chairman Bancroft, Ald. Lewis

3. Omnibus Vote - None

4. Administrative

a. Video Gaming Statistics – Information Only

Ald. Gaugel: Dawn's Voodoo Room recently had a name change. It's still on our listing as Dawn's Voodoo Room will it continue to be listed that way? She's registered a different name now correct?

Chief Keegan: Her LLC stayed intact her dba name changed.

Ald. Gaugel: So it will continue as Dawn's Voodoo Room on the reports.

Chief Keegan: Yes.

5. City Administrator

a. Recommendation to approve a 1 year Agreement for Governmental Consulting with Bricor Consulting in the amount of \$28,000 for FY 2018/2019.

Mark Koenen: This is an annual item for Bricor Consulting, most of you are probably familiar with Karen Ramey; she is our main contact in Springfield. She helps facilitate meetings with state officials in Springfield. She assists us throughout the year. I would encourage that we continue the contract.

Motion by Ald. Stellato, second by Silkaitis to recommend the approval of a 1-year agreement for governmental consulting with Bricor Consulting in the amount of \$28,000 for FY 2018/2019.

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

6. Finance Department

- a. Recommendation to approve an Ordinance Amending the Alcohol Tax Rate to 3% for the City of St. Charles.

Ald. Vitek: I would like to move to postpone this item to the July 16, 2018 Government Operations Committee meeting.

Moved by Ald. Vitek, Second by Bessner to postpone the recommendation to approve an ordinance amending the alcohol tax rate to 3% for the City of St. Charles.

Roll Call: Ayes: Gaugel, Vitek, Bessner, Stellato, Silkaitis, Payleitner, and Lemke
Nays: None. Vice Chairman Turner did not vote as Chair. **Motion Carried.**

Motion by Ald. Lemke, second by Silkaitis to enter executive session to discuss collective bargaining as permitted by 5 ILCS 120/2(c)(2).

Roll Call: Ayes: Gaugel, Vitek, Bessner, Stellato, Silkaitis, Payleitner, and Lemke
Nays: None. Vice Chairman Turner did not vote as Chair. **Motion Carried.**

7. Executive Session

- Personnel – 5 ILCS 120/2(c)(1)
- Pending Litigation – 5 ILCS 120/2(c)(11)
- Probable or Imminent Litigation – 5 ILCS 120/2(c)(11)
- Property Acquisition – 5 ILCS 120/2(c)(5)
- Collective Bargaining – 5 ILCS 120/2(c)(2)
- Review of Executive Session Minutes – 5 ILCS 120/2(c)(21)

Motion by Ald. Gaugel, second by Payleitner to exit executive session at 8:37pm.

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

Motion by Ald. Vitek, second by Stellato asking staff to create an ordinance increasing the City of St. Charles hotel/motel tax from 5% to 6% as well providing information from comparable communities including Oakbrook and Naperville on their hotel/motel tax.

Ald. Vitek: Regarding item 6a, we failed to have discussion. We mentioned we'd like some more time and some additional information from staff. I'd like to ask that staff bring some pieces of information back to that committee meeting on July 16. Specifically to the alcohol tax, I'd like to see a breakout of the revenue increases for the 2.5% vs. the 3%, and if Chris or staff could provide any additional information that would be helpful to that discussion. I would also like to ask that staff develop an ordinance on the hotel/motel tax increase from 5% to 6%. I would also ask that we also look at comparable communities in the western suburbs and what they're doing. I would

specifically like us to look at Naperville and Oakbrook as well as any additional communities Chris thinks should be included, and then to come back at the same time on July 16 to discuss both the alcohol and the hotel/motel tax.

Mayor Rogina: We need a second.

Ald. Stellato: My question is does this need to be a motion? We're requesting information from staff.

Mayor Rogina: She's asking for the ordinance though.

Ald. Gaugel: We're going in many different directions. When we began talking about alternative revenue sources part of the discussion revolved around our current tax levy and how the levy is assessed, and should we go to a rate. That then brought us to the fuel tax, which brought us to the alcohol tax, and now we're looking at the hotel/motel tax. I'm not opposed to discussing any of these, but we should decide what we want, then proceed forward with whichever one we choose. Right now we have 4 on the table. We're talking about the levy as well.

Mayor Rogina: Not yet.

Ald. Gaugel: We will be. I think this is a key component.

Vice-Chair Turner: The levy is going to depend on the user taxes. That's not being discussed right now. It's going to depend on what happens with the user taxes and the amount of money we could possibly get, if they pass. We're drafting an ordinance as a possibility. It's up to Council to actually implement the tax. We're asking staff to draft the ordinance and bring back information.

Ald. Gaugel: We're going to have an ordinance for fuel tax, alcohol tax, and hotel/motel tax. Three separate ordinances and discussions.

Vice-Chair Turner: After those are discussed we'll move on to the levy sometime in the winter.

Mayor Rogina: As the Mayor, not a member of the Committee, I think this is responsible for a number of reasons. We heard last week that the bonding organization thinks it's a good idea to broaden our sources. That's supported in our strategic plan. We said we would look for new sources of revenue in the next 3 – 5 years. Chris presented a somber projection looking forward 5 years ahead. First of all for us to look at 3 user taxes, most dealing with inelastic demand or visitors, the impact upon our citizens is minimal. You can up or down any or all of them, but as Lora brought up, move them to one discussion so we're not nickel and diming the community every 5 minutes. I agree with Ald. Lemke and Ald. Turner, we do have to look at the levy at some point. Our portion of the total tax bill of the citizens is 9.75%. Over 90% of your tax bill does not

go to the City of St. Charles. It's going to be you're decision. Regarding the alcohol tax where do we use our greatest resources with application of the enforcement of the various liquor licenses? The answer is B and C licenses, the bars and taverns downtown. Mark is going to provide you with data telling you of the \$1.2M collected in revenue from alcohol tax, how much is from each license type. And, if you should consider bumping the alcohol tax on certain license types, perhaps B and C.

Vice-Chair Turner: I think we should stick with the 1%. If we pass .5% the public is going to say we're coming back for the other .5%, in a couple years. Might as well just get it done, and I don't like the idea of separating the different license types because we might wind up being accused of discrimination. I think it has to be across the board.

Mayor Rogina: That will be your discussion. I think having the information is good.

Vice-Chair Turner: You can change the license fees, but I don't think you can tax one and not the other.

Atty. McGuirk: I'll research that.

Ald. Vitek: I agree with what Ald. Bancroft said last week regarding diverse revenue sources. Whether or not we do anything with property tax, in my opinion this still needs to happen now. By doing all three we're not targeting one industry. I already got a call from the bars today. Some of my argument is we're looking at various sources, not just one.

**Roll Call: Ayes: Gaugel, Vitek, Bessner, Stellato, Silkaitis, Payleitner, and Lemke
Nays: None. Vice Chairman Turner did not vote as Chair. Motion Carried.**

8. Additional Items from Mayor, Council, Staff, or Citizens.

9. Adjournment

Motion by Ald. Stellato, second by Payleitner to adjourn the meeting at 8:54 pm.