

**MINUTES
CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, NOVEMBER 5, 2018**

1. Call to Order

The meeting was convened by Chairman Bancroft at 7:32 pm.

2. Roll Call

Present: Ald. Bessner, Stellato, Silkaitis, Payleitner, Lemke, Turner, Gaugel, Vitek

Absent: Lewis

3. Administrative

- a. Video Gaming Statistics – September, 2018

4. Omnibus Vote

Items with an asterisk (*) are considered to be routine matters and will be enacted by one motion. There will be no separate discussion on these items unless a council member/citizen so requests, in which event the item will be removed from the consent agenda and considered in normal sequence on the agenda.

Motion by Ald. Turner, second by Ald. Stellato to approve the omnibus vote.

Voice Vote: Ayes: Unanimous; Nays: None. Chairman Bancroft did not vote as Chair.

Motion Carried

5. City Administrator

- a. **Consideration of a Memorandum of Understanding (MOU) between The Community Foundation of the Fox River Valley and the City concerning public-private partnerships – St Charles Initiative.**

Ald. Stellato: I will be abstaining from this. The Community Foundation runs an office from the company I'm employed by.

Mark Koenen: I'm going to present information regarding a public-private partnership. This comes from a scan we did on how other governmental bodies collect revenue. We learned that there is an opportunity to ask people in the community, who want to leave a legacy, make a difference in our community, and who want to be generous, to give back to their community with a donation. What is the best way to facilitate that?

Everyone is familiar with the St. Charles Dog Memorial. That is a Park District Foundation project, and they solicited money from the community to help sponsor having a monument made.

We also did an environmental scan with our municipal neighbors. We learned that the Village of Glen Ellyn, a few years ago, had a conversation very similar to this. In order to facilitate the conversation they entered in to a memorandum of understanding with DuPage Community Foundation. The DuPage Community Foundation is similar to the organization I'm going to introduce you; that's the Community Foundation of the Fox River Valley. The President of that group is Jeff Hartman. Jeff Hartman is here tonight and will give you a background on the foundation to better give you an understanding of the services they would provide in terms of collecting funds from those in our community who want to give back.

St. Charles has a long history of giving back. At the end of the night I would like the Council Committee to consider a new way to perhaps raise revenue in our community from people in our community who want to make a difference. The Community Foundation of the Fox River Valley will be able to help facilitate that. They are a non-for-profit organization that connects donors with projects for giving back to the community. They stand alone from the City of St. Charles. They would establish an advisory board, appointed by the Community Foundation of the Fox River Valley, it's that board that accepts money and gives money back for projects.

Jeff Hartman: I'd like to thank everyone I've worked with on the Memorandum of Understanding. Mayor Rogina, thank you for your efforts here in St. Charles and for bettering our communities.

For over 70 years the Community Foundation has been connecting individuals who want to give back, and have the capacity to give back with projects and initiatives in their community. We are the bridge between the donor and the community.

In 1949 this looked like 4 grants, totaling \$600, to 4 non-profit organizations, some of which are still in existence today. This year the Community Foundation will grant nearly \$5.8M back to dozens of communities and organizations throughout the Fox River Valley. Of that approximately \$1.2M are in scholarships to local high schools.

How do we do this? How do we acquire the capital and give it back to the community? We start with creating relationships, identifying individuals who want to give back. We talk to them about our services and acquire capital in the form of gifts. These gifts can be used to establish individual funds. If you want to establish a family foundation, scholarship funds, we manage about 50 management endowment funds for non-profit organizations. We manage it, and provide grants back to the organization. Restricted funds for your favorite charity, you can establish a fund through the Community Foundation to support that charity.

We manage, administer, and provide great customer service and money management to those assets with 5 local institutions; BMO Harris Bank, Old Second Wealth Management, Trust Company of Illinois, Pier Perspective Advisors, and First National Bank, to do the money management based on our investment policies. We then deploy that capital back to great causes and non-profits throughout the Fox River Valley.

You are probably thinking who is this organization? I've never heard of them. You may have heard of us. Seven years ago we were known as the Aurora Foundation. Much of our

work in 1949 was done in and around Aurora. We realized that there are individuals and organizations from St. Charles, Plano, etc. that were not calling us because they thought of us as the Aurora Foundation. We have always served these areas, how can we do that if we have one office located in Aurora. We knew we had to do five things; change our name, better communicate services to the service area, increase staff, look at how we were deploying our capital, have a presence in the communities we serve. We opened an office in Geneva and increased the footprint of our board. You now see a board with members from all over the Fox River Valley.

As a result of this a number of good things have happened to the organization. We find ourselves having larger conversations. We will always provide copiers for non-profit organizations, we'll always provide iPads for the after school programs, but we're also finding ourselves with a seat at the table around hospital expansions, YMCA expansions, capital campaign, and how can we improve the philanthropic capital in local communities. That leads us to where we are tonight.

Is there a model for where there can be a philanthropic vehicle that stays within the City of St. Charles, and individuals, organizations, non-profits, businesses can give to that vehicle and know their dollars will stay local? There is a great model with the DuPage Community Foundation and the Village of Glen Ellyn.

We have a draft of a Memorandum of Understanding (MOU), which I believe was presented to the City Council in advance of tonight. What the MOU puts together is a great relationship between the Community Foundation, the City of St. Charles, individuals that want to give back. The Advisory Committee would be the go-between for all of these pieces. In terms of the MOU we can create at the Community Foundation "The St. Charles Initiative". That would be the umbrella of the charitable driven vehicle and individuals could give donations. That would be the receptacle for general gifts within the City of St. Charles.

The Advisory Committee would be set up as independent body working with the Community Foundation. It would be made up of community leaders who care about and want to give back to the community. They would be in tune with conversations and projects going on and will review and decide if those projects will be supported.

Under the St. Charles Initiative Umbrella you could also have specific projects, and specific funds could be created to support those funds. These would be sub accounts within the St. Charles Initiative to support these specific projects. The Advisory Committee would seek council from this body in terms of projects of interest and what's happening in the City.

Mark Koenen: Tonight was an opportunity to share this information. There is a copy of the MOU in your packet for your consideration and review. It's something that Jeff Hartman and I along with Chris Minick and John McGuirk have been working on for the last 4 weeks. We would like to hear your comments and feedback.

Ald. Lemke: Is the MOU consistent with what you might have with other municipalities?

Jeff Hartman: It's more extensive. We love to eliminate any potential question. This

MOU really does that. It provides very clear direction for the Community Foundation and the advisory council in terms of what the intent is.

Ald. Lemke: Does it have the ability and does the IRS permit someone to give specific instructions for their donations that it be used for specific projects?

Jeff Hartman: Yes. When an individual or company or anybody makes a gift to the Community Foundation, it's just that, a gift. You're relinquishing that asset by giving it to the Community Foundation. You can put parameters and restrictions on it, for the arts, music, specific projects, but at the time of the transaction it's now the Community Foundation's. We put it on our 990, it's our asset. When an individual or a recommendation comes to support a project in the community, that individual is making a recommendation to the Community Foundation to support a certain project.

Mark Koenen: One of the clauses in the MOU requires that any permitting, zoning issues all have to be filed within the City of St. Charles. This doesn't circumvent that process.

Ald. Gaugel: What are the administration costs to set this up, and keep it running? In the MOU under the City's role and responsibilities a couple of points speak to costs that we might incur. I'm wondering what that is, what it covers, and what's typical of a program like this for administration fees?

Jeff Hartman: We are about 9.5% administrative costs. If you look at foundations across the country comparable to our organization, they are in the mid-teens (14%- 15%) to run the organization. We're very proud of that, but we do realize that we have to spend money to make money and grow. You may see that creep up into the double digits. In terms of the fund, there are two types of funds that can be established. You can establish a Pass-Through Fund, and you can establish an Endowment Fund.

When you look at the Pass-Through Fund, it's just that, monies are passing through the Community Foundation. Someone makes a gift, it's more of a temporary gift to support a project or program, we hold it for a few months and it passes to the organization. There is no size limit on Pass-Through Funds. The minimum to start a Pass-Through Fund is \$500. There are no fees associated with this type of fund.

The minimum to start an Endowment Fund is \$10,000, those funds are invested and the earnings/growth is what's available for distribution. The fee is broken into two parts. The administrative fee is 1 half of 1 percent. Money management fee ranges are between 46 basis points, right around 1%.

Ald. Gaugel: Under the City's role and responsibilities, letter c, it states the City shall pay for any and all direct expenses associated with the implementation, marketing and promotion of the initiative provided that the City Administrator, etc. I'm trying to get a better feel for what those costs might be, and what we would need to be accounting for or reducing from the total amount of the gifts we're looking at.

Mark Koenen: I had the same question for my peer at the Village of Glen Ellyn. He mentioned that the budget \$6,000- \$7,000 each year, which they have used for some promotion, development of literature, they had a kick-off party to announce the inauguration of the organization. He said some years all has been spent, and some years not.

Ald. Silkaitis: On page 10, no city employee will actively engage in direct solicitation. Can you explain what that means?

Mark Koenen: There was a conversation about who will do the ask. In other words, you recognize that there is an individual in the community who may like to do something for St. Charles. Sometimes people like to be asked, encouraged, who is going to do that. In this particular document we have said this will not be a City staff activity. It will be done by the advisory committee, who represents the St. Charles Initiative. That's composed of leaders in the community.

Ald. Silkaitis: It says City employees, are they doing this on company time? That's my point.

Mark Koenen: City staff will not be engaged in those conversations. What I would envision is that we would assist. We would be a support, not leading the activity, but offer support.

Ald. Silkaitis: It says City employee will not actively engage in direct solicitation. Does that mean they may indirectly solicit, what does that mean; that they can ask someone they know?

Mark Koenen: It means that we would indirectly provide support. If someone on the advisory board asked that we help create documents to be used to assist with making the ask, we would provide that assistance.

Ald. Bessner: If there was an opportunity for a St. Charles resident who wanted to donate a few hundred thousand dollars (hypothetically) on a specific park or development project, but something very specific, and they worked through the foundation, would all those funds go directly to that project.

Mark Koenen: There is a listing of the kinds of funds that could be set up. I believe the one you are referring to is called the designated fund. For example, we want to build the East Plaza, if we wanted to set up a fund for contributions to the 1st Street East Plaza for and art sculpture, or for the hardscaping and green space, we could set it up to donate for that fund directly. It would be set up through the advisory committee.

Ald. Bessner: If one specific person wanted to donate "x" amount of dollars for your example the East Plaza that would involve some kind of legacy on behalf of their name. Would that work through this foundation?

Mark Koenen: Yes. It would work very similarly. In the case where someone wanted to make a significant donation we would carve it out and handle it very carefully to make sure

it's done correctly, and everyone gets the proper credit, and at the same time they get the tax opportunity.

Ald. Bessner: Outside of any administrative costs those funds would go for that specific project.

Mark Koenen: That's correct.

Ald. Bessner: If this is put into effect and someone comes out in that same situation do they have to go through the MLA, or this organization?

Mark Koenen: The City of St. Charles has not historically accepted donations. We've received some money through Police or Fire on occasion; every year we do Neighbors in Need to help people with their electric bill. I think we're talking about something more specific, a larger donation of giving, and there will be some asking in this as well.

Ald. Vitek: Thank you for coming Jeff. I'm very familiar with the work of this foundation and several community foundations. We don't have the expertise here on how to send acknowledgement letters, or how to deal with a donor after a donation has come in. We are experts in several outstanding projects here in the City. Things can be discussed and funneled through this community foundation, and we depend on their expertise to do this, but we are still making the decisions. I think it's a good move on our part.

Motion by Ald. Vitek, second by Ald. Bessner to recommend the approval of Memorandum of Understanding (MOU) between The Community Foundation of the Fox River Valley and the City concerning public-private partnerships – St Charles Initiative.

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

6. Information Systems

- a. **Recommendation to approve an agreement with Securance Consulting to provide information security consulting services for a not-to-exceed cost of \$151,423.**

Larry Gunderson: The recommendation we have tonight is for a consultant to provide city staff with the service to assist us with the implementation of our information security program. We are recommending Securance Consulting. Securance Consulting was selected through a competitive request for proposal process. We are proposing the project be structured into 2 phases. Phase one would be this current fiscal year, phase two dependent upon budget funding would be in fiscal 2019.

Chairman Bancroft: In the event that there was an episode. Is this a firm that you would also call for remediation measures.

Larry Gunderson: Yes, it would be a change order.

Chairman Bancroft: You're going to pay for an assessment. They are going to spend all this time learning about us, if they have the capability they are probably a go-to provider.

Larry Gunderson: You never know exactly what sort of services you need. Some may be beyond their capability so we would seek those additional services.

Chairman Bancroft: Do we have cyber insurance?

Larry Gunderson: Yes, we do.

Chairman Bancroft: If this is a provider and there is an event make sure they are a recognized by the insurance carrier as a preferred vendor. That will make things a lot easier.

Ald. Lemke: Was there a tabletop exercise included in their proposal?

Larry Gunderson: Yes.

Ald. Lemke: If there were an event we would follow some of the processes we learned in the tabletop exercise.

Larry Gunderson: Exactly. Similar to what we do when there is an emergency operations center exercise.

Motion by Ald. Turner, second by Ald. Lemke to recommend the approval of an agreement with Security Consulting to provide information security consulting services for a not-to-exceed cost of \$151,423.

Voice Vote: Ayes: Unanimous; Nays: None. Chairman Bancroft did not vote as Chairman.
Motion Carried

7. Police Department

a. Recommendation to approve the Award of the Bids for Bid Package #3B for the Police Station Project.

Peter Suhr: This is a recommendation to approve the final set of construction bids for the Police Station Project. City Council approved 6 of the 13 total bid packages for 3b. As a carry-over from the Government Services meeting a couple weeks ago tonight we are asking this committee to approve the final 7 bid packages for 3b. In total 3b is just over \$10M worth of construction cost. We continue to trend downward based on our latest project cost estimate. In particular 3b is about \$407,000 less than our cost estimate. Our project team recommends the approval of the bid for the remaining bid package 3b in the amount of \$1,685,260.

Ald. Gaugel: On the miscellaneous metals you only had one contractor submit a bid. What was the reason behind that?

Peter Suhr: We actually had metal work approved in bid package 2. At that time we had

over 3 bidders. The successful bidder was that same company. When we first received one bid from them we didn't open it. We tried to solicit more bidders and held the bid for a couple of weeks while we tried to solicit more bidders. Two weeks later we received one bid. It was just a circumstance where the other bidders recognized the advantage this particular company had by receiving that first bid package.

Ald. Gaugel: The variance on this is rather large. Are we comfortable with the price?

Peter Suhr: The reason for that is the scope has increased from when the cost estimate was done. We bid the particular scope for the bid package 2b work, that's when the cost estimate was established. Since that time the scope of the miscellaneous metals has increased. We have vetted through all of those piece by piece. We feel it's a fair price.

Ald. Gaugel: I'm comfortable, and commend you, staff, and everyone involved that we're under budget. This is going along just fine in my opinion. Thank you.

Ald. Lemke: Likewise. It looks like they are competitive. I would agree with each of the selections. Is there a fair assessment of what kind of things may have caused the scope to increase?

Peter Suhr: That is something we are continuing to look into. In January we'll come together and give a summary of how all these bids have progressed. We owe you that final number and where we sit based on the original estimate. Part of the agreement we have with Riley Construction suggests that we set a GMB for the project. From now until that time we are going to be looking at that metals cost, recognizing that it's over the original estimate, and see if we can value engineer anything out of it. The biggest part of that particular bid was the metal railings for the stairs. We have a chance and the time to do that before the stairs are installed. We're hopeful to come back with some cost savings there.

Motion by Ald. Turner, second by Ald. Payleitner to recommend the approval of the Award of the Bids for Bid Package #3B for the Police Station Project.

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

8. Finance Department

*a. Budget Revisions – October, 2018.

Motion by Ald. Lemke, second by Ald. Bessner to move into executive session to discuss Property Acquisition as permitted by 5 ILCS 120/2(c)(5).

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

9. 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. Stellato, second by Ald. Turner to exit executive session at 8:41 pm.

Voice Vote: Ayes: Unanimous; Nays: None. Chairman Bancroft did not vote as Chairman.

Motion Carried

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

11. Adjournment

Motion by Ald. Turner, second by Ald. Lemke to adjourn the meeting at 8:41pm.

Voice Vote: Ayes: Unanimous; Nays: None. Chairman Bancroft did not vote as Chairman.

Motion Carried

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ADA Compliance

Any individual with a disability requesting a reasonable accommodation in order to participate in a public meeting should contact the ADA Coordinator, Jennifer McMahon, at least 48 hours in advance of the scheduled meeting. The ADA Coordinator can be reached in person at 2 East Main Street, St. Charles, IL, via telephone at (630) 377 4446 or 800 526 0844 (TDD), or via e-mail at jmcmahon@st.charlesil.gov.

Every effort will be made to allow for meeting participation. Notices of this meeting were posted consistent with the requirements of 5 ILCS 120/1 et seq. (Open Meetings Act).