

**MINUTES  
CITY OF ST. CHARLES  
GOVERNMENT OPERATIONS COMMITTEE  
TUESDAY, FEBRUARY 19, 2019**

**1. Call to Order**

The meeting was convened by Vice-Chairman Turner at 7:08 pm.

**2. Roll Call**

**Members Present:** Stellato, Silkaitis, Payleitner, Lemke, Gaugel, Vitek, Bessner and Lewis

**Absent:** Bancroft

**3. Administrative**

a. City of St. Charles Fuel Tax Receipts, December, 2018 – Information Only

**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.

**5. Police Department**

a. **Recommendation to approve a new E1 Temporary Liquor License for the St. Charles Breakfast Rotary Club annual Tri-City Craft Brew Festival to take place at Lincoln Park in St. Charles on June 8, 2019 from 12:00 pm to 5:00 pm.**

Chief Keegan mentioned that this item was presented at the Liquor Control Commission and advanced with a 4 – 0 recommendation, and then introduced Alessandro Vasquez from Brew Avenue Events. Chief Keegan explained that the Tri-City Craft Brew Festival has taken place for the last few years with great success. He noted that the crowd is very orderly, but there will be 2 officers present because of the number of people.

Motion by Ald. Stellato, Second by Ald. Gaugel to recommend approval of a new E1 Temporary Liquor License for the St. Charles Breakfast Rotary Club annual Tri-City Craft Brew Festival to take place at Lincoln Park in St. Charles on June 8, 2019 from 12:00 pm to 5:00 pm.

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

**6. Finance Department**

**\*a. Budget Revisions - January 2019**

Motion by Ald. Stellato, Second by Ald. Silkaitis to approve the omnibus vote.

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

**b. Presentation from One St. Charles (Downtown St. Charles Partnership & the Greater St. Charles Convention and Visitors Bureau) for FY 2019-2020.**

City Administrator, Mark Koenen gave some background information regarding the One St. Charles Initiative. He indicated that City Council directed staff to move forward to provide for promotional and marketing to create a stronger income base for the City of St. Charles, and see growth in our business community. He explained that three years ago the City of St. Charles had an independent facilitator hold focus groups with the three primary promotional groups in St. Charles, The Chamber of Commerce, The Downtown St. Charles Partnership (DSCP) and the Greater St. Charles Convention and Visitors Bureau (CVB). The results were shared with all the participants. As a result there was a collaborative exercise named Quadra Group that met quarterly to try to improve communication, develop relationships, and allowed each group to share their goals and missions.

Mark continued by saying in 2017 the Chamber approached him and the Mayor to have a conversation about the Chamber, CVB, and DSCP forming one organization. All the organizations agreed to this and weekly meetings were scheduled for these discussions. Soon after the Chamber had a change in leadership and indicated that they would no longer be able to continue with the conversation, they said would like to be engaged in the future, but can't continue discussions regarding a single organization.

Mark went on to say that the DSCP and CVB talked about collaboration to bring more economic activity to St. Charles. Mark challenged the DSCP and the CVB to cut \$100,000 out of their budgets. He mentioned that the budget numbers for One St. Charles was available in the packet of information, and that he thought they would be able to get to \$650,000. He said that when the \$100,000 challenge was made it was based on the CVB continuing to be a state certified organization (receiving approximately \$250,000 per year), and the DSCP receiving a voluntary membership fee of \$12,000 - \$25,000 per year. He said that under the new model, One St. Charles would no longer be state certified thus forfeiting the \$250,000, and the DSCP voluntary membership fee would also stop. He noted that One St. Charles is requesting approximately what the DSCP and CVB did one year ago, but the efficiency has been in being able to drop the state certification and membership.

Mark went over some of the information being presented regarding One St. Charles including the mission, the governance, the organization, their funding and their program. He said that their program will look similar to what the DSCP has provided and that it will still be used to promote St. Charles. In addition he noted that the special events will continue to be in Downtown St. Charles. Mark said that he thinks this will build a

stronger promotional group than we have right now with two individual groups.

Chris Woelffer (2001 King Edward Avenue, St. Charles) President, DSCP Board gave a brief overview of One St. Charles.

- One St. Charles will focus on improving efficiencies between St. Charles businesses, visitors, hotels and residents.
- Tens of thousands of visitors come to St. Charles every year. Part of the CVB is directing those visitors from the hotels and keeping them here, in St. Charles. One St. Charles will address this.
- Marketing, advocacy, support and programming for our local businesses.
- The Mission of One St. Charles: To drive economic growth to make the St. Charles community a destination where people, businesses, and tourism grow.

Mr. Woelffer said that after several meetings with the respective Boards of the organizations and of the 10 St. Charles business owners that are a part of this group, the belief is that merging these two organizations is the right direction to go moving forward. He indicated that One St. Charles will benefit the stakeholders of St. Charles. Our residents, businesses, hotels, Chamber of Commerce, community groups, sponsors and investors. It will also help to enhance and further build the St. Charles Community.

Tom Donahue (500 Casten Road, Naperville, Il), President of the CVB presented information on the merger between the CVB and DSCP to create the One St. Charles Organization.

- Jenna Sawicki would lead as the Executive Director.
- The organization will operate as a 501c3 with a single board of directors. There will be subcommittees providing support managing the business and events.
- New committees have been added for Jazz Weekend and Scarecrow Fest due to the popularity, complexity, and the opportunity for further enhancement of those events.
- There will be a committee to handle opportunities and sales leads to help drive success to bring new business into the community.
- The total 20/20 requested annual investment for One St. Charles from the City is \$749,600, just slightly below what was requested last year.
- The new entity will not be a State of Illinois certified CVB.
- The total budget for the combined entity is \$1,065,600. This includes event sales, sponsorship and revenue.
- Savings have been identified at approximately \$350,000 which offsets the loss of the grants, plus an additional savings of \$70,000 some of which comes from the rent from the old CVB office. We will drive sponsorship opportunities to make up the difference between the total operational expenses and the funds requested from the City. That is an estimated \$316,000.

Mr. Donohue mentioned that there is a similar model to One St. Charles in Naperville that has been very successful. Mr. Donohue said that the State has indicated there will be a significant cut in funding, and that they don't expect to receive funding as in the past. He said that he believes that giving up the grant will have a limited impact on

performance and will allow the focus to be on the St. Charles community and the exciting opportunities in St. Charles' future.

Jenna Sawicki (2 E Main Street) Executive Director of the Downtown St. Charles Partnership presented information about the program for One St. Charles.

- Economic development and economic activity is the fiber of which all the programming exists. This includes parades, the Fine Arts Show, Jazz Weekend, Scarecrow Fest, STC Live, historic walking tours, social media bubble art in the plaza, mailers and much more, all create economic activity.
- The four initiatives for One St. Charles are marketing, sales, support and events. All programming fits into the mission of One St. Charles and the current programming of either the CVB and or the DSCP.
- The new organization will continue to maintain the services already in the downtown and will grow and expand them. The collaboration will create efficiencies and make the programming more effective.
- Growth and changes moving forward will keep the organization relevant and cutting edge.
- With the new mission you will see more marketing from one voice. The same consistent brand will be advertised locally, regionally, and nationally. The City Side brand was created over 5 years ago and continues to grow, be recognized, and fits the development and high-end retail and restaurants of St. Charles. The brand will continue to thrive with the new organization in place.
- The sales process will change for the better with more connection, partnership and efficiencies.
- Support efforts will be for expansion on activities for businesses, a way to streamline new ideas, collaborations, and to get ahead of problems. One St. Charles will not have a membership fee; support will be given just by being in the St. Charles community.
- Volunteers will be vital to the group. If you put a current dollar figure on how much our volunteers give to the DSCP it would be well over \$360,000. We will continue to recognize our volunteers publically, personally and privately.
- The employee discount card program will continue and we believe it will be successful in the new organization.
- One St. Charles will continue to showcase what is an accurate St. Charles experience and have events that benefit the businesses and community.
- There will be a review on new events to make sure they fit into the brand of the community.
- Scarecrow fest will be reevaluated to bring it back to its original intent. A community festival that engages tourists and outsiders to experience St. Charles.
- The goal is to drive commerce into St. Charles.
- The Mission – To drive economic growth to make the St. Charles community a destination where people, businesses, and tourism thrive.

Ald. Turner was surprised they pulled out from receiving the funding from the State. He said that as recent as last September there was indication that the City would receive \$100,000, and now that's not going to happen. He asked if the money could be recouped, and said that it raises a question as to how this can be done without having sponsorship dollars. He asked what the reason was they decided not to take the money.

Tom Donahue replied that there are very clear stipulations you have to honor when you take the grant, and when they looked at it, the value was much less than the size of the grant. When you see what's on the horizon with the State regarding funding, and the success of some of the communities that do not have a certified CVB the time is right in St. Charles for us to take a bold step, and in the long run we will be better positioned.

Ald. Bessner asked if they had any idea what type of a cut they would receive from the State. Mr. Donohue indicated that they never received any figures, but it was described as significant, they assume it will be substantial. Ald. Bessner asked if the two boards will combine keeping all the current members. Mr. Donohue said that they haven't discussed that yet, but feels they have a lot of talented individuals on both boards and could have an executive committee with sub committees to support the new organization.

Ald. Gaugel stated that if the state doesn't keep funding, and if we don't allow the joining of the two groups, we will be in a worse situation in terms of funding with two groups, one of which will have a significant portion of their income gone. This is a perfect step to reduce our dependency from the State and an excellent point to put this in place.

Ald. Stellato asked if the dollars spent on the SSA used to market the downtown, could pose any legal problems. Chris Woelffer indicated that they have gone to legal counsel outside the City to identify and understand what needs to be done in regards to the SSA. Ald. Stellato said that the business owners are taxed a certain amount and expect the money to be spent in the Downtown. He asked if they would need to get buy-in from the business owners.

Ald. Vitek said that she is very familiar with 501c3 organizations and that when looking at the SSA and the purpose of the SSA, the organization would be accountable to those dollars. The organization could report back to show that the dollars are being put to use in the purpose of the SSA. She went on to say that she doesn't think that state funding should be considered at all because it will most likely go away. Ald. Vitek noted that she thinks what is being done, combining the organizations, is a good move to make. She discussed marketing, and that the marketing for the City would be farmed out to this organization. She said the timing for this collaboration is now, St. Charles is growing, and people are coming to St. Charles and want to stay here. There are a lot of things planned that will need marketing.

Ald. Vitek read a letter submitted by Ald. Bancroft:

*Lora thank you for agreeing to express my support for the combination of the CVB and the Downtown Partnership. I think the proposal will result in a significantly more efficient effort and will enhance the already great work of these two*

*organizations going forward, while striving to develop increasingly improved metrics to help gauge performance. It's truly a situation where one plus one will equal three.*

Ald. Payleitner expressed that she has some concerns and asked City Administrator, Mark Koenen if they are considering the new organization as well as the budget for the organization. Mark answered that staff is looking for feedback at this time; the Council can do as they wish, but this will be rolled into the budget over the next 30 days. Similar to what was done with the museum. He went on to say that the direction of the Council was to bring the CVB and the DSCP together to form a single group. If Council would like to talk about that merger collectively, that is something that can be done, but he thought it was beyond that. Ald. Payleitner said that she thinks there are too many questions at this point, and that a lot of money will be given to this organization on a "we'll see" basis. She suggested that clarification should be made as to what the organization is, and then address the funding.

Ald. Payleitner said that in the past she asked three different CVB directors why we promote businesses outside of St. Charles. Each of those directors indicated that in order to get State funding "greater" has to be in the name of the organization. She was told that the money received from the State is used to promote businesses outside of St. Charles. Ald. Payleitner asked how this money could present a big cut in the budget if you're not promoting businesses outside of St. Charles. If it's not happening the money shouldn't missed.

Tom Donahue said that the money, whether it was the State grant or what the City of St. Charles funds, was used to promote the destination, the "greater" destination. He went on to say that if they hadn't done that, the funding may not have been available. He indicated that it was not segmented out and was used for marketing the destination, conferences, attract leads, etc.

Ald. Payleitner said that she sees a lot of deliverables, but no measurables and asked for clarification. Chris Woelffer stated that they want to have measurables in place and be accountable as stewards of this fund. He indicated that this will be in place prior to this organization moving forward. Jenna Sawicki said that it will be similar to what the DSCP does and gives to Council every year.

Ald. Stellato said that this was put together to build a team to help market St. Charles and at the end of it all, and with all these efficiencies, no money was saved. He indicated that more work needs to be put into this and that it needs more time. Things have to be vetted, how the SSA is going to impact this and if it's legal, and how to get the numbers to a point where he feels comfortable endorsing this.

Ald. Lewis said she shares the same concerns regarding the SSA. She said she's in favor of the merger, but would like to see how the Chamber fits into this. It started out as four entities, we didn't want duplicity, and we are still going to have it if the Chamber isn't included. Ald. Lewis stated that she would like to see a written legal opinion on how the SSA money can be spent in this new organization. She also feels that more time needs to be put into this merger.

Ald. Payleitner said she thinks a merger would be great but agrees with Ald. Lewis that there are more parties involved. She sees things that One St. Charles wants to do that the Chamber is already doing, and the Chamber needs to be brought into the conversation to avoid duplication of efforts.

Ald. Turner said that with the loss of the state tourism dollars this budget isn't going to work, the savings aren't what was anticipated. Ald. Vieck and Ald. Bancroft are right, this is marketing. When you came through the ROI, your metrics, there was no money in there. He said that they should figure out the sales tax for this year and next for the entire downtown area. Chris Woelffer agreed and stated that they are looking at the sales tax. Ald. Turner said he thinks the merger should happen, get the legalities taken care of, and go forward, but as in the past, when you come up with a new plan like this, you have to give it 2 or 3 years.

Sharon Spero (1502 Kind Ct., St. Charles), Chairman of the Board of Directors for the St. Charles Chamber of Commerce, in addition on the Board of Directors for the DSCP, and Jim DiCiaula, President & CEO of the St. Charles Chamber of Commerce.

Ms. Spero mentioned that during the DSCP Board Meeting they were asked if they have permission to proceed with further research regarding the merger of the DSCP and CVB. The answer was yes, there was positive support to continue the research. She made note that Mr. Woelffer said they approved the merger, but she didn't feel that was the case, at least based on her approval and understanding of what of what was asked. She stated they are in support of enhancing economic development in the community and understand that this merger is a very important opportunity. There is opportunity for each entity to work together, the Library, the Park District, the Chamber, One St. Charles, etc. The CVB has been without strong leadership recently and this has allowed a potential merger to create some efficiencies between the two organizations. The DSCP has very strong leadership and brings many great marketing program and events to the Downtown Community.

Ms. Spero said that she understands wanting to have more details regarding money, and the organizational structure, and indicated she has the same questions. Furthermore without additional details they aren't able to determine the potential for duplication of efforts. Ms. Spero discussed some of the areas that need to be clarified further; the mission statement, the coverage area for the SSA, marketing elements clarified, sponsorship and events, and sponsorship funding. Ms. Spero stressed that they would like to work collaboratively and provide a clear message to the community with the collective goal of driving economic growth and support to the entire business community.

Ald. Lewis asked about the chamber members and if the same businesses are being looked at for marketing tourism. Ms. Spero said they were, and that she understands the potential categories of business segments that would be the primary focus of One St. Charles is restaurants, hotels, entertainment and the arts; this represents approximately 20% of their current membership.

Jim DiCiaula (325 S. 8<sup>th</sup> Street, St. Charles) President & CEO of the St. Charles Chamber of Commerce. Mr. DiCiaula said that there are three separate components he's concerned with; the question of the merger. The mission of One St. Charles; it's inspirational, however there are many different parts of the City that drive economic development and growth, not just one entity, but a group of entities. Mr. DiCiaula said they don't have enough information about the approach and marketing model to determine where potential duplication of efforts would occur. Mr. DiCiaula said that he understood that while the merger wasn't likely on behalf of the Chamber and the other entities, the goals were to provide a clear understanding and a consistent message to the business community, avoid potential duplication of efforts, drive efficiency, and lead to the development of a Memorandum of Understanding amongst the groups. He went on to say that in December, 2017 the Chamber Board of Directors approved, at the recommendation of the collaborative groups, that a merger may not be the best option and approved to move forward with a memorandum of agreement, while managing and eliminating potential overlaps. The Chamber Board authorized to move forward under that direction, and that's been the basis they have been operating under. He said that the business owner's perspective should be the primary concern. This should not be limited to any one organization but all that are involved in the process.

Ald. Turner spoke to Mr. DiCiaula and addressed the fact that he never once mentioned the residents. He said the residents are in One St. Charles. The Chamber isn't spending resident's money, its membership money. Mr. DiCiaula said that somewhere between 60% - 70% of their business owners are residents. Ald. Turner said the point is that the Chamber's focus is on the businesses. One St. Charles will work with tax dollars and would focus on the residents. He said he doesn't even think there needs to be a memorandum of understanding because the Chamber is private, and One St. Charles is getting tax dollars. One St. Charles would be taking in a wider aspect of the City, and their marketing is for the City as a whole. The Chamber is marketing the City for their businesses which you can do because it's your money. He said that he hopes they can work together in the future, but One St. Charles has a greater responsibility to the residents of the City.

Ald. Payleitner said that part of the One St. Charles offering was support to businesses and that is more of the Chamber's purpose and probably more of what Mr. DiCiaula is talking about with duplicity. Ald. Turner said that the issue is if the merger should take place. Ald. Payleitner said that's already been decided, it's how it happens that needs to be looked at, or do we say go ahead with the merger and here's your money, that's my concern. Ald. Turner said during the budget process we can ask questions. We're only going to get to that point if we say continue forward. My only concern is that this is within the parameters of the SSA.

Mr. Steve Martin (1485 Banbury Avenue, St. Charles) addressed the Council and stated that Ald. Payleitner's suggestion that the CVB supported a hotel in Bartlet was not true. The Greater CVB did support businesses in Campton and Elburn, and neither of them have hotels. The idea was to bring people there as tourists and have them stay, eat and shop in St. Charles. Mr. Martin spoke to Ald. Turner and said that he is a firm supporter of watching out for resident's money and he's happy to see that the Alderman is concerned about that. Mr. Martin said that the hotel motel tax, which is where the CVB



funding comes from, the bulk of it, goes into the City's General Fund. Less than half goes to the CVB and other organizations. Almost all of it is raised from individuals outside of St. Charles, not residents. He said that what should be done is to continue forward so One St. Charles can bring more people into St. Charles.

Tom Anderson (712 Horne Street, St. Charles) passed out a copy of SSA -1B ordinance to the Council Members. He said that he looks at the City's economic development and there has been a lot coordinated to the CVB and the Partnership. He said he has property downtown and over the last 27 years he has paid over \$200,000. He told the Council that he was president of the Chamber, was on the first board of directors of the CVB serving there for 25 years, and was at the kick-off the Friends of St. Charles/Downtown St. Charles Partnership; then in 1992 the SSA was passed. Mr. Anderson said that the years that the DSCP has been working the town has changed, in cooperation with the City making big investments. A lot of hours from DSCP employees have created a revitalized downtown. What inspired the revitalization? It was the SSA-1B passed in 1992. Mr. Anderson discussed the different sections of the ordinance and what it dictates. He said that his contention is that the downtown has been revitalized it's a new city from what it was 27 years ago. He said that SSA-1B is not needed; it's done its job and should end. That would solve the restrictions of what is spent where and how it's controlled. He said his café's on the west and east wouldn't be limited if the SSA was ended. The discussion needs to go forward regarding the merger, but that SSA-1B does not need to be here.

Paul Lencioni (3301 Greenwood Lane, St. Charles) he addressed the Council and indicated that he is 100% in support of combining the two organizations.

Craig Larson (112 Remington Drive, St. Charles) indicated that there were a lot of productive discussion between the Chamber and the City for months. He said that at the time he was the Chair of the Chamber and close with the DSCP, but there were duplication of efforts. As a business owner he sponsors the DSCP, the CVB, and the Chamber, and are members of the DSCP and the CVB, duplication of efforts. Through the discussions it became apparent that the missions were different. Personally, he thought a merger may make sense. But it was too soon to bring the three groups (CVB, DSCP, Chamber) together at that time. There was talk about making sure that we work together and support each other and avoid duplication. He said that he thinks a merger makes sense, but he encourages everyone to work together so there is no duplication of efforts.

Ald. Turner spoke to Mr. Anderson and said that he understands he doesn't want the SSA to be in effect much longer, but that would have to be a discussion at another time. Ald. Turner indicated that the plans for a merger should continue, sharpen the pencil, and make sure that everything is legal, and we'll move on from there. When we get to the budget hearing be prepared to ask questions that go beyond dollars and figures, but include organization.

**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)

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

**9. Adjournment**

Motion by Ald. Stellato, second by Ald. Lemke to adjourn the meeting at 8:55 pm.

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