

MINUTES
THE CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
ALD. RON SILKAITIS, CHAIR
MONDAY, MARCH 6, 2023

1. Call to Order

The meeting was called to order by Chairman Silkaitis at 7:04 pm.

2. Roll Call

Present: Ald. Kalamaris, Ald. Payleitner, Ald. Bongard, Ald. Bancroft, Ald. Lencioni, Ald. Pietryla, Ald. Wirball, Ald. Weber

Absent: Ald. Bessner

3. 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. Pietryla, second by Ald. Wirball to approve the Omnibus item.

Roll Call Vote: Ayes: Ald. Kalamaris Ald. Payleitner, Ald. Bongard, Ald. Bancroft, Ald. Lencioni, Ald. Pietryla, Ald. Wirball, Ald. Weber. Nays: None. Absent: Ald. Bessner. Ald. Silkaitis did not vote as Chair. **Motion Carried.**

4. Finance Department

- a. **Recommendation to Approve a Resolution Authorizing the Director of Finance to Enter into an Agreement for Natural Gas Based on the Results of a Reverse Online Auction to be Conducted by Transparent Energy.**

Bill Hannah stated that the City has a 3-year contract, which expires in October 2023, for heating of its facilities using natural gas. Based on the market pricing of natural gas, now appears to be a good time to negotiate a new contract using the online reverse auction process.

Motion by Ald. Lencioni, second by Ald. Bancroft to recommend approval of Recommendation to Approve a Resolution Authorizing the Director of Finance to Enter into an Agreement for Natural Gas Based on the Results of a Reverse Online Auction to be Conducted by Transparent Energy.

Roll Call Vote: Ayes: Ald. Kalamaris Ald. Payleitner, Ald. Bongard, Ald. Bancroft, Ald. Lencioni, Ald. Pietryla, Ald. Wirball, Ald. Weber. Nays: None. Absent: Ald. Bessner. Ald. Silkaitis did not vote as Chair. **Motion Carried.**

b. **Presentation of the Fiscal Year 2023/2024 Draft Budget – Information Only.**

Bill Hannah presented an overview of the City’s draft budget for fiscal year 2023-2024. The information has been reformatted and supplemented to provide insight to the goals and objectives of each units as well as some accomplishments and statistics. The draft budget is available on the City website as part of the packet materials for this meeting. City Council final approval of the budget is scheduled for April 4, 2023.

The total budgeted revenues are \$216 million and expenditures are planned at \$219 million. The \$3.1 million difference is spending of reserves for certain capital assets. The largest revenue source is utility charges for water, sewer, electric and refuse, just under \$85 million. Sales tax and use taxes are planned at \$32 million. Investment income has increased along with interest rates. The largest expenses are personnel cost at \$55 million, contractual services at \$65 million, and \$57 million for capital projects.

The General Fund is the largest operating fund, and it is planned to be balanced for fiscal year 2023-2024. Transfers will continue to the capital fund. The fund balance is currently in a good position and where we want to be in the future. Sales taxes are 44% of General Fund revenues, property taxes account for 24%, and intergovernmental revenues at 11%. Moderate increases are expected in the tax revenue accounts. Personnel costs (payroll, salary, pension, benefits, professional development) account for 60% of expenditures in this account, contractual services are 19%, and other operating costs at 2%. The City plans to be back at full staffing levels in the next fiscal year, which is an increase over the previous year. The \$1.5 million of overtime costs is across all departments, and an observation was made that this number has trended upwards.

Major planned capital expenditures are:

- Motor Fuel Tax Fund Road Program - \$2.5 million
- First Street Plaza - \$3.2 million (estimate)
- Police Range Expansion Project - \$900,000 before grants
- 7th Avenue Creek Project - \$2 million
- Information Systems projects, including the public engagement platform, Microsoft 365 implementation and various GIS and other projects - \$433,000
- Utility Billing system implementation
- ERP replacement for Fire, Financials, and Human Resources
- Public Works roof replacement- \$1.9 million
- City Hall maintenance and renovation - \$85,000
- Parking Study - \$50,000
- Former Police Department site feasibility analysis and planning process - \$100,000

Bill provided an update on several other key funds, including TIFs, Electric, Water, and Sewer Funds, and the impact on capital projects in those areas. City staff is continually looking for and acting on opportunities to benefit from grants to assist with capital projects.

Sewer and water rate increases will be a topic for a meeting in the next 4-5 weeks, before the budget is finalized. It was suggested that the City could use reserve funds to subsidize rising rates.

Total debt obligation is projected at \$165 million. When asked to project several years into the future, Bill expects to see a similar balance. Debt that will be paid during this time may be offset by additional IEPA (low interest) loans.

The video gaming push tax has not yet been resolved in the courts.

Bill is watching the increasing cost of capital as a result of inflation.

***c. Budget Revisions February 2023**

Motion by Ald. Pietryla, second by Ald. Wirball to approve the Budget Revisions February 2023

Roll Call Vote: Ayes: Ald. Kalamaris Ald. Payleitner, Ald. Bongard, Ald. Bancroft, Ald. Lencioni, Ald. Pietryla, Ald. Wirball, Ald. Weber. Nays: None. Absent: Ald. Bessner. Ald. Silkaitis did not vote as Chair. **Motion Carried.**

- 5. **Public Comment – None**
- 6. **Additional Items from Mayor, Council, or Staff**
- 7. **Adjournment**

Motion by Ald. Wirball, second by Ald. Pietryla to adjourn the meeting at 7:41 pm.

Roll Call Vote: Ayes: Ald. Kalamaris Ald. Payleitner, Ald. Bongard, Ald. Bancroft, Ald. Lencioni, Ald. Pietryla, Ald. Wirball, Ald. Weber. Nays: None. Absent: Ald. Bessner. Ald. Silkaitis did not vote as Chair. **Motion Carried.**

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