

**MINUTES  
CITY OF ST. CHARLES, IL  
GOVERNMENT SERVICES COMMITTEE MEETING  
MONDAY, OCTOBER 22, 2018, 7:00 P.M.**

**Members Present:** Chairman Payleitner, Aldr. Stellato, Aldr. Silkaitis, Aldr. Lemke, Aldr. Turner, Aldr. Bancroft, Aldr. Gaugel, Aldr. Vitek, Aldr. Bessner

**Members Absent:** Aldr. Lewis

**Others Present:** Peter Suhr, Director of Public Works; Chris Adesso, Asst. Director of Public Works - Operations; Tom Bruhl, Electric Services Manager; Tim Wilson, Environmental Services Manager; AJ Reineking, Public Services Manager; Ken Jay, Engineering Manager; Jim Keegan, Police Chief; Eric Mahan, Deputy Chief of Administration; Joe Schelstreet, Fire Chief; Larry Gunderson, Director of Information Systems; Chris Minick, Director of Finance

**1. Meeting called to order at 7:00 p.m.**

**2. Roll Call**

**K. Dobbs:**

**Stellato:** Present  
**Silkaitis:** Present  
**Payleitner:** Present  
**Lemke:** Present  
**Turner:** Present  
**Bancroft:** Present  
**Gaugel:** Present  
**Vitek:** Present  
**Bessner:** Present  
**Lewis:** Absent

**3.a. Electric Reliability Report – Information only.**

**3.b. Active River Project Update – Information only.**

**3.c. Natural Resources Commission Minutes – Information only.**

**3.d. Phosphorus Removal and Digester Improvements Project Update – Information only.**

**4. OMNIBUS VOTE – Items with an asterisk (\*) are considered to be routine matters and will be enacted by one motion.**

**Items \*7.e, \*7.f, \*7.g**

Motion by Aldr. Gaugel, seconded by Aldr. Turner. No additional discussion. Approved unanimously by voice vote. **Motion carried.**

**5.a. Recommendation to accept the auditors reports for the fiscal year ending April 30, 2018, including the Comprehensive Annual Financial Report, Independent Auditor’s Report Pursuant to Uniform Guidance, Management Letter, Pension Fund Reports, TIF Compliance Reports, and Sales Tax Revenue Bond Compliance Report.**

**Chris Minick presented.** As the Committee is aware, State Statute requires the City undergo an audit each and every year. For the last year several years, the City has contracted Sikich from Naperville to perform that function as required by State Statute. The report was distributed in advance earlier this evening as well as several pieces related to the audit.

Here tonight to make a brief presentation of the City’s comprehensive financial report and explain some of the highlights of the audit for the fiscal year that just ended is Fred Lenz is here to give us that information.

Presentation by Fred Lenz.

**Aldr. Turner:** We are going to have several TIF’s retiring in the next three years; I think two are positive and one is a negative – Chris, is that true?

**Mr. Minick:** Yes, I believe that to be the case.

**Aldr. Turner:** Is that going to help us?

**Mr. Lenz:** During my presentation I mentioned if the TIF’s are unable to repay that, we would be reducing the general fund balance by those amounts. We’ve looked at the projections and worked with the City on the projections; we believe the three that will be closing will all be able to repay the loans and reduce those advances without a negative impact on the City’s general funds. The two others that mature in 2025 and 2027, we are hoping the economy will continue to turn around and the activity will continue to occur.

**Mr. Minick:** Those coming up in the next three to four years and then we have two more that are closer to five to seven years.

**Aldr. Turner:** But that all helps us.

**Mr. Lenz:** Yes; as long as we don't have another downturn where we see the EAV go down.

**Mr. Minick:** We are seeking a motion to accept the auditor's reports as were included in the packet this evening.

No further discussion.

Motion by Aldr. Lemke, seconded by Aldr. Gaugel. No additional discussion. Approved unanimously by voice vote. **Motion carried.**

**6.a. Recommendation to Authorize City Staff to execute an Agreement with IT-Stability Systems for Dacra Software Upgrade and Hosting Services.**

**Eric Mahan presented.** This is the software package that our staff uses for parking tickets, compliance tickets, local ordinance tickets, from issuance through adjudication. The current version is almost 10 years old and in need of updating. Police and IS Staff began working with IT Stability to determine if the latest version of the software would meet our functionality requirements and it was determined that it would and it offered additional functionality such as electronic ticketing, towing and impound management and enhanced adjudication services.

The proposed initial cost for Dacra software is \$7,500 and the annual software use in hosting is \$18,000 or \$1,500 per month. In the current fiscal year, we budgeted \$25,000, but in working with IT Stability, we looked at the possibility of a two year agreement along with a set-up fee for a total of \$43,500. However, that would consist of the \$7,500 fee and the \$1,500 per month fee beginning at the "go live" date so we won't exceed what we currently have budgeted in this fiscal year and then we are looking at budgeting the subscription fee into the out years.

**Aldr. Payleitner:** So even though on the Executive Summary it says it's over budget, it really isn't because we are doing a two year.

**Deputy Chief Mahan:** Correct.

No further discussion.

Motion by Aldr. Turner, seconded by Aldr. Bessner. No additional discussion. Approved unanimously by voice vote. **Motion carried.**

**7.a. Recommendation to award the Bids for Bid Package #3B and Interior Design Presentation for the Police Station Project.**

**Peter Suhr presented.** We are almost to the milestone marker for this project; on October 9, all remaining bids for the project were received which represented about \$10.5 million for construction costs. We were seeking bids for 13 separate bid packages on that date, most of which had multiple bids associated with them. In total, we received 56 separate bids and some of those were from many local contractors. It takes quite a bit of time to review those bids and analyze them, especially considering the alternates that we had included. It also takes extensive time to meet with the apparent low bidders and to review all their documentation and qualify them for the project as well. We are still in the process of doing that for some of the bid packages. Therefore, tonight we are only prepared to award six of the 13 bid packages. The remaining seven bid packages will be ready for approval in approximately two weeks so we are looking at bringing that back to the Government Operations Meeting in two weeks.

We are pleased to announce that not only did we receive many bids for our work, but that resulted in lower than anticipated costs. We continued to trend downward from our most recent cost estimate. For example, the six bids we are seeking approval for tonight are combined \$460,000 less than our last cost estimate. In about two weeks, you'll find that trend will continue.

If there are no questions, staff recommends approval of the bids for Bid Package 3B in the amount of \$8,408,941 as noted in your packet.

No further discussion.

**Chairman Payleitner:** Kristi, would you call a roll, please?

**K. Dobbs:**

**Lewis:** Absent

**Stellato:** Yes

**Silkaitis:** Yes

**Lemke:** Yes

**Turner:** Yes

**Bancroft:** Yes

**Gaugel:** Yes

**Vitek:** Yes

**Bessner:** Yes

Motion by Aldr. Bancroft, seconded by Aldr. Vitek. No additional discussion. Approved unanimously by roll call vote. **Motion carried.**

**Mr. Suhr:** Tonight we have a brief presentation of our interior design packet. FGM Architects who is represented by Anna Bella and Regan. Regan is head of the interior design group for FGM and she is a resident of St. Charles.

**Anna Bella Orlando,** FGM Architects, 1211 West 22<sup>nd</sup> Street, Oakbrook, IL.

**Regan Porter,** FGM Architects, 1211 West 22<sup>nd</sup> Street, Oakbrook, IL.

**Ms. Orlando:** We have an interior 3 dimensional walk-thru of the building this evening. Up to this point, we have presented different static images of the exterior thus far. With the 3-D walk-thru, it allows us to give you the opportunity to sense what the interior space is going to be like.

**Ms. Porter:** As you see the different interior images, keep in mind all the materials we used are for durability, longevity, ease of maintenance and brought together in pleasing ways in conjunction with the City's value and vision. You'll notice a lot of different branding elements; one thing that is highlighted when you go into the community room is the mission statement.

Presentation by Ms. Orlando and Ms. Porter

**Aldr. Lemke:** What kind of flooring material are we using?

**Ms. Porter:** In the lobby we are using a large format porcelain tile which will help with durability and ease of maintenance.

**Aldr. Lemke:** Is there elevator accessibility?

**Ms. Porter:** Yes, absolutely.

No further discussion.

**7.b. Recommendation to approve Agreement for Exterior Renovations to City Owned Building at 107-109 East Main Street (Formers George's Sports) to Schramm Construction.**

**Peter Suhr presented.** The City is continuing to move forward with improvement and renovations to the George's building. The interior demolition and abatement work is almost complete; the building looks great on the inside. Now that the partitions, wall paneling and ceilings are removed, you can visual the adaptive reuse opportunities for the space. In particular, I appreciate the interior brick wall that is common with the Arcada building.

Tonight we are focused on the next phase of the project which is improvements to the exterior elevations. Schramm Construction received several trade bids to complete this work which totaled about \$354,000. Recognizing our total budget is about \$900,000,

staff is reluctant to ask for approval of the entire \$340,000 at this point in time until all the remaining bids are open, which we anticipate in December. We still have the interior work to bid out and the site utilities. Therefore, to keep the project moving forward without overextending the project financially, tonight we are recommending approval of only a portion of the exterior renovation bids. More specifically, approval of \$105,920 would allow us to proceed with renovations to the front façade only that would include repairs and replacement of the bay windows, tuck pointing and painting of the siding and trim.

Staff recommends approval of the agreement for partial exterior renovations for the former George's Sport building.

**Chairman Payleitner:** I would like to add to the motion "in the amount of \$105,920, alternative 1A".

**Aldr. Turner:** We aren't going to do the sewer connections or anything?

**Mr. Suhr:** We are designing the sewer connections now and those bids will be open in December once that work is designed and ready. As we laid out the schedule, we wanted to get some of the exterior work done while the weather is still good, so we are going to be rushing to get this exterior work done before our holiday homecoming events in five weeks. Come December, when we know the total financial burden to the project, we can make some decisions on moving forward with continuing renovations.

**Aldr. Turner:** It looks like we are putting off the drain tile until next year; did we have any problems with it last winter?

**Mr. Suhr:** I don't recall that we did, no.

**Aldr. Lemke:** Was there some plywood on the front that needs to be removed?

**Mr. Suhr:** Most of the plywood siding is on the lower section. The ultimate plan is to remove and replace it, but for now we are going to put a coat of paint on it to match the upper elevation improvements and next spring when we revisit the exterior elevations, the ultimate plan is to remove that siding and replace it with new.

No further discussion.

**Chairman Payleitner:** Kristi, would you call a roll, please?

**K. Dobbs:**

**Lewis:** Absent

**Stellato:** Yes

**Silkaitis:** Yes

**Lemke:** Yes

**Turner:** Yes

**Bancroft:** Yes

**Gaugel:** Yes

**Vitek:** Yes

**Bessner:** Yes

Motion by Aldr. Lemke, seconded by Aldr. Silkaitis. No additional discussion. Approved unanimously by roll call vote. **Motion carried.**

**7.c. Presentation of Water Supply Component of Water Utility Master Plan.**

**Chris Adesso presented.** Tonight I'll be presenting the next component of the 10 Year Water Utility Master Plan. In August, I presented the 10 Year Plan that was completed by Trotter & Associates and suggested that the plan was broken into four components. Tonight's presentation will focus on the water supply component and essentially the treatment component of the plan.

Presentation by Chris Adesso.

**Aldr. Turner:** How would we update Well 7?

**Mr. Adesso:** Due to its age, we are not able to leverage it as we normally have, so it essentially needs an overhaul; everything from the filters, to the pump.

**Aldr. Lemke:** Is Well 7 deep or shallow, and what is the approximate location?

**Mr. Adesso:** Shallow. It is on Randall Road, adjacent to X-Sport Fitness. Everything we recommended here is about in the \$15-20 million in today's dollars.

Presentation by Chris Adesso.

**Aldr. Stellato:** These are big numbers. If we tapped into Lake Michigan; would that allow us to grow without adding capital costs as our PE demand grew or would we have to keep adjusting like all the other alternatives? Also, each one of these alternatives going forward, what is the annual maintenance costs?

**Mr. Adesso:** I don't believe we have included O&M in all of these costs. To answer the first part of your question, DWC could provide us the capacity through growth, however, the one negative is we lose control of the user rate, so eventually the DuPage Water Commission would set that user rate. We can certainly check on that O&M.

**Mr. Wilson:** With the DWC, we still have to maintain our own water supply for emergencies; we would still have to have back up wells.

**Mr. Adesso:** One negative with Lake Michigan water is that because of the water our system is designed and because of the geographic qualities of our City, we would essentially have to install booster stations and linking water mains or distribution mains to move water to all parts of the City to keep pressure up, so that is an additional capital expenditure. However, that is rolled in to those capital dollars.

**Aldr. Turner:** Schaumburg has a deal with the DWC that their water rate cannot increase more than the CPI or more than 5%.

**Aldr. Vitek:** With the DWC you don't have these costs all together, so it's not the \$65 million PLUS \$58 million – that's eliminated completely, but you still have the storage costs you were talking about like the wells.

**Mr. Adesso:** Correct.

**Aldr. Silkaitis:** How do we pay for any of these options? Have we done an analysis of what it would cost the user per month to pay for this?

**Mr. Adesso:** We haven't done any analysis of the rate, however, I think everyone is familiar we are working through the final stages of the rate study for the water utility, and as I understand it, the deliverable for that rate study is dynamic. We can take the deliverable from that rate study and plug in any capital expenditures that the City is planning and calculate what the future rate would be.

Some things we have been tossing around at staff level is when enacted the Wastewater Treatment plant project that we have going on now, that is a \$15 million project and it was \$5 per month on the rate.

**Aldr. Silkaitis:** So we would have to triple that, it would be \$15-\$20 per month for soft water. Just to do it, plus the ongoing expenses to maintain it.

**Aldr. Lemke:** On the population assumption; is that due to annexations, build-out, or is it the assumption that we are going to have more retail?

**Mr. Adesso:** It is based on everything we have programmed with Community Development right now. Because we are anticipating that growth for things that are programmed but aren't yet real, we can continue to monitor and we don't need to say we need to do this right now and as they become closer to reality, we can start to react IF we take steps to do that in the near future.

**Aldr. Lemke:** If we were to implement the utility scale water softening, is there a reason to think we will reduce our outflow?

**Mr. Adesso:** We don't have any scientific metrics on that, but anticipate that some folks will turn their softeners down.

**Aldr. Turner:** Say we built one of the buildings by the Red Gate Tower. Would it take a lot of room?

**Mr. Adesso:** That is one of things we need to study and that is why we need to have more discussion about utility scale water softening specifically through the budget season. Each one of those requires a different foot print, some much larger than others with different components.

Next steps: we need to start executing some of these supply recommendations over the next one to five years with the critical path being the Well 7 project that we talked about earlier. Continue to investigate new well locations. Trial test new treatment alternatives and ultimately update and incorporate these projects into our capital improvement plans. We will conduct any further studies as needed as directed by the Committee and understand the policy direction of utility scale water softening.

**Aldr. Turner:** DWC is expensive and I know we do not have full control over our purchase price of water. But when you start adding up some of these numbers, I would like to see a comparison; don't throw out DWC. When we look at operation maintenance, it may be worth it to look at DWC.

**Mr. Adesso:** It was not our intent to exclude any alternatives at this time, with the exception of the Fox River option. There is an aspect of DWC and I want to be clear that the City still has to maintain a supply in case there is an outage on DWC so that we can continue to supply water to our customers. As a really bad example, if there is a break on a transmission main between here and the next connection point in Carol Stream and they have to shut it down to service it, the City utility would still have to maintain all of its existing utilities and meet that peak demand without the DWC connection. I apologize if I didn't get that across clear enough before.

**Aldr. Turner:** I think you said we would be like the Naperville model where we would keep a couple wells going just in case.

**Mr. Adesso:** In our case because we would only have a singular connection, we would have to keep our higher system in place, unless we would get a second connection, which is unlikely.

**Aldr. Lemke:** Well 7 improvements are on the more critical path?

**Mr. Adesso:** Yes, we are implementing design on that as early as next fiscal year.

**Aldr. Gaugel:** This is an observation more than a question. At the current police station we have one of our major wells for the City. I think it would be wise to keep the potential use of that site to consider if we could eliminate that.

**Chairman Payleitner:** Do you need anything feedback-wise from us?

**Mr. Adesso:** No, I know this is a lot of information. Just take the time to absorb; I would be happy to meet with anyone who wants more detailed information.

**Chairman Payleitner:** I would request the Power Point be available for everyone to see.

**Aldr. Lemke:** The DWC option looks very pricy, but I would to see the comparison of that with two or three more plans, right next to each other.

**Mr. Adesso:** I have it here on this slide. If we go with the DWC the cost per gallon all in to meet the additional production needs is \$13.50 per gallon. As compared to Alternative 5 it's \$1.83 per gallon. We did that analysis, we just didn't lay out the capital dollars in columns for you, but we can certainly present that in a different way.

**Aldr. Lemke:** Options 3-7 do not tell me what it would cost to add commercial softening, which is a separate slide. If you look at it that way, then the \$65 million doesn't stand alone.

**Mr. Adesso:** Right; the approximate cost would be about comparable given the capital expenditures are similar. It is a very close comparison, but we would be happy to break it down in a different way.

No further discussion.

**7.d. Recommendation to approve Agreement Authorizing Grant Acceptance – IEPA Section 319 Grant for the 7<sup>th</sup> Avenue Creek Project.**

**Ken Jay presented.** The 7<sup>th</sup> Avenue Creek Project Phase 1 is from South 10<sup>th</sup> Avenue to Washington Avenue. We have received approval from IEPA for a \$1.2 million 319 Grant which is awarded for Water Quality Improvement Projects. The estimated total project cost is \$5.8 million, so the City's estimated share is \$4.6 million. The debt service impact is approximately \$360,000 over 20 years. Design would begin this fiscal year with construction planned for 2021. The project will remove 13 homes from the floodplain, eliminate the majority of street flooding we see between 10<sup>th</sup> Avenue and Washington, it would create a park like setting with walking path and meandering creek. This is a stand-alone project; it doesn't commit us to future phases of the project.

Staff recommends approval to accept the grant and proceed with Phase 1 of the 7<sup>th</sup> Avenue Creek project.

**Chairman Payleitner:** What is our obligation if the State budget gets put on hold?

**AJ Jain, HR Green.** If the State budget comes to a point where it is put on hold or they delay the project, that funding eventually came through. I will look into it, but they could potentially delay the project, but they won't take the funding away.

**Chairman Payleitner:** On page 27 of the agreement, it says the total project cost is \$2 million and we are in for \$807,000.

**Mr. Jain:** There is a total project cost of \$5.8 million. When we submitted the grant application, we projected the total cost and from that, the EPA is only paying for improvements they consider eligible for water quality improvements which is \$2 million and they pay 60% which is the \$1.2 million.

**Chairman Payleitner:** In order to get the grant, do we have to have the whole project completed?

**Mr. Jain:** If you only did what the EPA is considering eligible, then you would have to pay \$800,000. But the way this project is structured, it is encompassing everything so you need to be prepared to fund the \$4.6 million.

**Chairman Payleitner:** Just so you know, Ken, I'm questioning the funding for this project and I do see how this is broken down.

**Aldr. Lemke:** If that's the case, I would reject the funding opportunity as a result.

No further discussion.

**Chairman Payleitner:** Kristi, would you call a roll, please?

**K. Dobbs:**

**Lewis:** Absent

**Stellato:** Yes

**Silkaitis:** Yes

**Lemke:** Yes

**Turner:** Yes

**Bancroft:** Yes

**Gaugel:** Yes

**Vitek:** Yes

**Bessner:** Yes

Motion by Aldr. Silkaitis, seconded by Aldr. Stellato. No additional discussion. Approved unanimously by roll call vote. **Motion carried.**

**8. Executive Session**

None.

**9. Additional items from Mayor, Council, Staff or Citizens.**

None.

**10. Move to Adjourn Government Services Committee Meeting.**

Motion by Aldr. Lemke, seconded by Aldr. Bancroft. No additional discussion. Approved unanimously by voice vote. **Motion carried.**