

MINUTES
GOVERNMENT OPERATIONS COMMITTEE
ALD. TODD BANCROFT, CHAIR
MONDAY, MAY 21, 2018

1. Call to Order

The meeting was convened by Chrmn. Bancroft at 7:44 pm.

2. Roll Call

Members Present: Chrmn. Bancroft, Ald. Silkaitis, Payleitner, Lemke, Turner, Gaugel, Vitek, Bessner, Lewis

Absent: None

3. Omnibus Vote - None

4. Police Department

a. Recommendation to Approve a Proposal for a New Class E-1 Temporary Liquor License for a Special Event, a Random Acts Matter Fundraiser, to be held in Mt. St. Mary's Park.

Chief Keegan: This was presented earlier this evening at Liquor Control Commission. Lori is here from Random Acts Matter if there are any questions. This is the second annual event. It was conducted last year with great success.

Motion by Ald. Payleitner, second by Turner to approve a Recommendation of a Proposal for a New Class E-1 Temporary Liquor License for a Special Event, a Random Acts Matter Fundraiser, to be held in Mt. St. Mary's Park.

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

Motion Carried.

b. Recommendation to approve a Proposal for a New Class E-1 Temporary Liquor License for a Special Event, "Sunset Cider Stroll" to be held Downtown St. Charles and Mt. St. Mary's Park.

Chief Keegan: Jennifer from the St. Charles Park District is here. This advanced from the Liquor Control Commission earlier this evening with a 3 – 0 advancement. This is the first annual event. It will start near First Street near our business district; proceed south into Mt. St. Mary's Park. We've worked with the petitioner to ensure this is a safe and orderly event.

Ald. Lewis: What kind of event is this?

Jennifer: It's an event the bike path targeted towards date night, or girls night out. It does not require a full 5k type run event. We will have participants walk the bike path into Mr. St. Mary's Park where they'll have hard cider samples, and some seasonal snacks.

Ald. Lewis: Are you strolling on the bike path with the Cider?

Jennifer: In the park we're going to have roped off areas for the samples.

Ald. Lewis: Are they crossing Rt. 31?

Chief Keegan: No. And they're going to stay in the corporate limits of St. Charles. Not going

into Geneva.

Motion by Ald. Turner, second by Lemke to approve the Recommendation of a Proposal for a New Class E-1 Temporary Liquor License for a Special Event, "Sunset Cider Stroll" to be held Downtown St. Charles and Mt. St. Mary's Park.

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

- c. Recommendation to approve an Ordinance Amending Title 5, Entitled "Business Licenses and Regulations" Chapter 5.08, "Alcoholic Beverages", 5.08.090, "License Classifications" of the St. Charles Municipal Code.

Chief Keegan: This is two parts. If I may I'm going to read the first part into the record then ask for comments and feedback, then move along to the second.

Drawing your attention to the beginning portion of my executive summary; the Wine Exchange is here. This is a house keeping measure. It advanced 3 – 0 from the Liquor Control Commission earlier this evening. Right now the Wine Exchange offers 2 different business models. One is the over the counter sale of package wine and in addition there is on site consumption of wine. Right now the ordinance states no more than 25% of the over the counter sales can be anything other than wine. This means spirits or beer. What they would like to do moving forward because of the times when a person doesn't want to drink wine and asks for craft beer or spirits, they would like to offer those for onsite consumption. Once again holding to the current ordinance that no more than 25% of the sales will go towards anything outside of alcohol sales either on site consumption or packaged goods.

Motion by Ald. Gaugel, second by Vitek to approve a Recommendation of an Ordinance Amending Title 5, Entitled "Business Licenses and Regulations" Chapter 5.08, "Alcoholic Beverages", 5.08.090, "License Classifications" of the St. Charles Municipal Code.

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

- c.2. Recommendation to approve an Ordinance Amending Title 5, Entitled "Business Licenses and Regulations" Chapter 5.08, "Alcoholic Beverages", 5.08.090, "License - Classifications", Section 5.08.150, "License – Cessation of Business – Revocation of Licenses – Reduction in Licenses" of the St. Charles Municipal Code**

Chief Keegan: This advanced earlier this evening with a 2 -1 advancement from the Liquor Control Commission. About 1 month ago we had a lengthy discussion regarding this ordinance. I was directed to look adjoining municipalities, talk to council, and look through our code. After a lot of discussion we realized that we have provisions in place to make sure if there is a change in business, or in names the City is notified. The recent discussion we had regarding the Grandstander and Abby's. The classification was the same. There was a gap in the operation of the business, however there was a late night permit requested. City Council was brought in and we took action. When we started talking this over with legal counsel and other municipalities; the frame of reference I used at the Liquor Control Commission is having a driver's license. If you have a driver's license and you break you're right leg, you can't drive. The license isn't going to be taken away. You will have a license unless it's suspended or revoked. When you're

ready to drive, you resume driving. It's the same principal. If there is council action that needs to be taken, if it's a change of address, change of license classification, a late night permit, or a floor plan or operational plan. All are required to come before Council or the Liquor Commissioner at both the issuance and the renewal. We felt that the discussion last month convoluted the issue. I've cleaned up the language and would ask the Council to strike the aforementioned code.

Ald. Silkaitis: I voted against this. I believe that once a business ceases operation their license is forfeited. Unless the business tells someone beforehand they will be shutting down for an extended period of time to remodel, personal issues, etc. Then I have no problem with them keeping the license. If they abruptly close the building, don't notify anyone, in my opinion the license should be forfeited.

Ald. Payleitner: I agree with Ald. Silkaitis. I apologize. I was hoping to call this up on our laptop and we don't have this item on our computers. In your statement you said that things that have to come before us at Council include name change, floorplan change.

Chief Keegan: And the renewal portion of a liquor license. The floorplan and the business plan come before the Liquor Commissioner and the Chief of Police. If it's a change of address it goes in front of Council. Change of name would not necessarily go in front of council. There is Council action Chief of Police action, or Liquor Control Commissioner action in any of the aforementioned items.

With the Abby's discussion it was the same liquor classification. I don't have the authority, nor does the Liquor Commissioner to issue a late night permit, so it went in front of City Council.

Ald. Payleitner: It was a total change of plan, hours, parking needs, everything. According to what this revision says it would be okay to go, correct.

Chief Keegan: Correct.

Ald. Payleitner: Then I can't support it.

Ald. Lewis: I'm struggling comparing a driver's license to liquor license. A liquor license is a business license. Can you explain in more detail how they are the same?

Chief Keegan: A driver's license is good for 4 years unless the State of Illinois through enforcement action suspends and or revokes that privilege. A liquor license issued by City Council is good for 365 days so long as we haven't taken action to suspend or revoke, and or something comes forward to either my attention, the Liquor Commissioner, or City Council with an address change, name change, change of business plan. I think there are adequate provisions in place. The state won't take your driver's license away if you break your leg and are unable to drive. The license is good unless there is some type of enforcement against it.

Ald. Lewis: In my opinion, I don't need to get City Council approval for a driver's license. To get a liquor license you do have to get City Council approval. I was comfortable with having that in, the 30 days; I don't support just throwing it out. I thought we asked for tougher language to have it restructured. Not to have it just eliminated. I personally would like to see it go back and have the language be clearer and keep it in there.

Mayor Rogina: From my perspective as the Liquor Commissioner. Ald. Silkaitis and I had a discussion on this and I understand his point. I would offer the following. If the City Council

approves a liquor license for the year and during the course of that time the business goes dark for some reason, and that reason could be private in nature. Privacy laws would prohibit him from having to reveal what reason is. From my perspective, as long as the license was applied for, and there was nothing out of the ordinary, I don't see why we would take it away. There doesn't seem to be actionable theory under which we would take it away for that particular calendar year. Particularly since it was paid for and approved by this particular body. Furthermore, as the Chief suggested, there are plenty of safeguards in place for action by this Council, the Liquor Commission, and the Police.

Ald. Payleitner: The restaurant was closed. He reported to the paper that he closed and was planning on selling. That indicated to me that he did not want to continue business.

Mayor Rogina: The key word there is he was planning on selling. Things change, life changes, he didn't say he was selling.

Ald. Payleitner: This ordinance, though confusing and worded badly perhaps, it covered that by seeking permission from the Liquor Control Commissioner to put it on hold. That was not done.

Mayor Rogina: I think I'm trying to be business friendly saying they have a license and once April 30 comes around they have to let us know what they want to do.

Ald. Payleitner: Do they come before us for renewal of license?

Mayor Rogina: The ordinance talks about them coming to me regarding suspension. All the Chief is saying is that language, based upon his research, seems to be redundant. It's just another hoop to go through for a business.

Ald. Turner: I agree with the Mayor on this. It's basically a clean-up item and I would be voting for it.

Ald. Lemke: The issue here is whether someone, in this case they were temporary disabled, a disability who in the end wants to continue a business doesn't seem to be a problem to me. I don't want us to pass judgement on a disability of a proprietor. I think we need to clean it up as suggested.

Ald. Vitek: A liquor license is a tool for a business. If the business is in good standing, my belief is that liquor license should continue. There are other safeguards in the code that allow staff to check, such as business plans and concepts. In addition I think it creates more work for staff and the business owners.

Ald. Lewis: Will this be across the board for all licenses. A policy that anyone who gets a license for tobacco, liquor, etc. be vetted...

Chief Keegan: The other 3 codes that are governed by the Liquor Control Commission, tobacco, massage and gaming, there was not any sections pertaining to the cessation of business.

Ald. Lewis: So now they will all be the same.

Chief Keegan: This would be the same as with the other 3 codes.

Motion by Ald. Turner, second by Vitek to Recommendation approval of an Ordinance Amending Title 5, Entitled "Business Licenses and Regulations" Chapter 5.08, "Alcoholic

Beverages”, 5.08.090, “License - Classifications”, Section 5.08.150, “License – Cessation of Business – Revocation of Licenses – Reduction in Licenses” of the St. Charles Municipal Code.

Roll Call: Ayes: Lemke, Turner, Gaugel, Vitek, Bessner; Nays: Payleitner, Lewis, Silkaitis. Chrmn. Bancroft did not vote as Chair. **Motion Carried.**

Ald. Payleitner made note that she’s voting no, but was disappointed she wasn’t able to continue her line of questioning with the Chief.

d. Recommendation to approve a Proposal for a New Class E-8 Liquor License for the St. Charles History Museum, located at 215 E Main Street, St. Charles.

Chief Keegan: This advanced from the Liquor Control Commission earlier this evening with a 3 – 0 advancement. As the Committee might remember we passed new class E-8 about a month ago. The History Museum is here seeking a license. All the paperwork and material is in order to include dram shop insurance naming the City as the certificate of insurance holder. As the Committee might recall we own the property and lease it back to the museum. Dram shop is in order and as far as the 12 events per calendar year to include special events. This is similar to what we’ve done with the fair grounds and for Fox River Harley Davidson.

Ald. Lewis: Thank you Nancy for working so hard on this. I appreciate that this is settled. Good Luck.

Motion by Ald. Payleitner, second by Lemke to Recommend approval of a Proposal for a New Class E-8 Liquor License for the St. Charles History Museum, located at 215 E Main Street, St. Charles.

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

5. Finance Department

Finance Director Chris Minick took a moment to introduce Joan Stouten the new Purchasing Division Manager for the City of St. Charles.

a. Recommendation to approve an Ordinance Ascertaining Prevailing Wages in the City of St. Charles for Kane and DuPage Counties.

Chris: Each year the City has an obligation to determine prevailing wages for various classes of labor and contractors engaged in the construction or maintenance of public works. Traditionally we have adopted the prevailing wage rates as determined by the Department of Labor. The last department of labor update is from September, 2017. Those are the amounts reflected in the ordinance in your packet. The ordinance further provides that in the event the Department of Labor would make any amendments or changes to those various rates those changes would be automatically adopted into the City’s ordinance.

Ald. Silkaitis: Why are some of them highlighted?

Chris: That came right off the State website. I apologize, I don’t know that answer.

Motion by Ald. Lemke, second by Gaugel to Recommend the approval of an Ordinance

Ascertaining Prevailing Wages in the City of St. Charles for Kane and DuPage Counties.

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

Motion Carried.

b. Recommendation to Appoint Assurance Agency as the City's Risk Insurance Consultant and Broker at a Cost of \$32,500 Annually for the Five Annual Renewal Periods Beginning December 1, 2018.

Chris: We're seeking a recommendation to name Assurance Agency as the City's risk insurance consultant and broker for the next 5 years at an annual cost of \$32,500 a year. The City's risk insurance coverage expires December 1st of each year and we need to have consultant in place before that timeframe to allow for adequate time for the renewal process to occur and for our coverages to be effective as of December 1st each year.

The risk insurance package consists of our property, liability, automotive and excess workers compensation line of coverage. The total cost of the premiums of each of these policies is approximately \$600,000 annually. Assurance has handled the last 4 renewals for the City's risk insurance renewal process. They came on board in 2014 as a result of advice and efforts the City have recognized premium savings of approximately \$215,000 over that 4 year timeframe. Assurance recommended a carrier change in that 2015 renewal. That is what generated the significant savings year over year. The City's current contract with Assurance expires June, 2018. In order to allow for the process to play out and have a broker in place, Request For Proposals were sent to 4 firms. Three firms responded. The 3 respondents were interviewed and were Wine Sergei, Naperville, Arthur J. Gallagher, Rolling Meadows, and Assurance, Schaumburg. The staff evaluation team consisted of 3 members of the finance department. Joan Stouten, Purchasing Division Manager, Carylie Forte, Senior Administrative Assistant. Carylie is the main point of contact for all the risk insurance claims and issues. She handles the day-to-day work and contact with both the broker consultant and the insurance carriers. I was the 3rd member of the staff evaluation team.

Although they were not the lowest cost respondent to the proposal, they were the best value for the money spent. The City has seen significant savings as a result of Assurance's advice and efforts. In conjunction with those savings they were able to provide various coverage enhancements to the risk insurance program. We were able to increase our umbrella policy liability limit by \$1M reflected in that cost. Additionally, we were able to lower the deductible on the automotive package from \$25,000 to \$10,000. We were also able to secure an additional \$11M in total property evaluation limit coverage with no increase in cost. Assurance has established sub litigation process on automobile claims that total less than \$10,000. This provides additional cost recoveries in minor automobile accidents where the City is not at fault. When an insurance claim is less than your deductible the insurance company won't handle that claim on your behalf. Assurance has stepped in to go to the responsible party insurance company and sub ligates that claim on behalf of the City. Assurance has provided assistance in reviewing certificates vendors supply to the City. This helps the City avoid taking on additional risk from parties that do business with the City based on their activities while they're on City property. Assurance has assisted in the addition of cyber coverage in the event of a data breach or hacking incident. They have assisted us in revamping our application and indemnification process. They have provided advice with claims handling and advocated to insurance carriers on the City's behalf as necessary over the 4 year period. The City has enjoyed the fruits of its association with Assurance, and the Staff team was unanimous with the recommendation to continue the partnership for the next 5 years.

Ald. Gaugel: I think this a great procurement. Lowest cost isn't always the best option. I think

your evaluation was very thorough. Is Assurance aware of where they fell with the 3 respondents?

Chris: We did not discuss specific places but they were informed that they were the highest.

Ald. Gaugel: I think for the future if they know it allows for quality feedback as to where they fall in line with everybody in terms of the cost. Again, I don't have an issue with this other than to make sure they know they're the highest.

Ald. Lemke: I like the idea that the respondents were evaluated on their experience. I appreciate the detail.

Motion by Ald. Turner, second by Gaugel to Recommend the Appointment of Assurance Agency as the City's Risk Insurance Consultant and Broker at a Cost of \$32,500 Annually for the Five Annual Renewal Periods Beginning December 1, 2018.

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

Motion Carried.

c. Recommendation to approve Funds Transfer Resolutions Authorizing Budgeted Transfers in the Aggregate Amount of \$2,652,427.73 for Miscellaneous Transfers.

Chris: This item deals with transfer resolutions, apologies to the Committee; typically these are handled via the omnibus agenda. Due to an oversight they were placed as a regular agenda item. There is no reason they are appearing as a budget item. However I will let you know these are budget transfers and are essentially finishing off our transfer process for FY 17/18. They are routine and are budgeted.

Motion by Ald. Lemke, second by Payleitner to Recommend approval of Funds Transfer Resolutions Authorizing Budgeted Transfers in the Aggregate Amount of \$2,652,427.73 for Miscellaneous Transfers.

Roll Call: Ayes: Payleitner, Lemke, Turner, Gaugel, Vitek, Bessner, Lewis, Silkaitis. Nays: None. Chrmn. Bancroft did not vote as Chair. Motion Carried.

Motion by Ald. Lemke second by Ald. Bessner to move into executive session to discuss property acquisition under 5 ILCS 120/2(c)(5), and for the review of executive session minutes 5 ILCS 120/2(c)(21) at 8:11 pm.

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

6. 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. Lemke second by Silkaitis to exit executive session at 9:08 pm.

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

8. Adjournment

Motion by Ald. Silkaitis, second by Turner to adjourn the meeting at 9:08 pm.

:tc