

**MINUTES  
CITY OF ST. CHARLES  
GOVERNMENT OPERATIONS COMMITTEE  
MONDAY, APRIL 1, 2019**

**1. Call to Order**

The meeting was called to order by Chairman Bancroft at 7:22 pm

**2. Roll Call**

**Present:** Stellato, Silkaitis, Payleitner, Lemke, Turner, Vitek, Bessner, Lewis

**Absent:** Gaugel

**3. Administrative**

a. Video Gaming Statistics – 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. Public Works**

a. **Recommendation to approve Budget Addition for Renaux Manor Storm Sewer Replacement Project and Associated Construction Engineering Services.**

AJ Reineking explained that the Public Works Department recently solicited bids for replacement of 2800 linear feet of reinforced concrete storm sewer pipe for Renaux Manor Subdivision. Five bids were received and Cecchin Plumbing & Heating, Inc. provided the lowest bid at \$674,009.90. The original amount budgeted for this project was \$500,000. This is due to the extensive nature of the project. The staff worked with Cecchin to value engineer the project and was able to recover \$60,000 by securing a more readily available approved alternative pipe material. This brought the total to \$614,009.90.

Motion by Ald. Turner, second by Ald. Lemke to recommend the approval of a Budget Addition for Renaux Manor Storm Sewer Replacement Project and Associated Construction Engineering Services.

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

b. **Recommendation to award the Bid for the Renaux Manor Storm Sewer Replacement Project.**

AJ Reineking explained that this is for the award of the project to Cecchin Plumbing & Heating in the amount of \$614,009.90.

Motion by Ald. Turner, second by Ald. Lemke to recommend to award the Bid for the Renaux Manor Storm Sewer Replacement Project.

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

\*c. **Recommendation to approve a Construction Engineering Agreement for the Renaux Manor Storm Sewer Replacement Project.**

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

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

**6. City Administrator**

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

Mark explained that the presentation being given is a follow-up to the Government Operations Committee meeting on February 19, 2019. At that meeting three specific points needed to be addressed.

First had to do with the SSA in the downtown area and to get a legal opinion as to if we can do that. Mark indicated that the information is in the packet provided. The second item was to come back with a revised budget. Mark said they are presenting a budget that is \$50,000 less than the original proposal. The last item had to do with metrics. That information was provided in the packet.

Mark said that Jenna Sawicki will be making a presentation and will go through those issues. Mark noted that John McGuirk worked with Atty. Bill Thomas who represents the Downtown St. Charles CVB consortium to provide the legal opinion regarding the SSA.

Jenna Sawicki presented information regarding One St. Charles that included the written legal opinion regarding the SSA, an updated budget, and metrics.

Bill Thomas attorney representing the Downtown St. Charles Partnership (DSCP) and the CVB said that the advice is that the two entities will merge. The IL Statute of the General Non-For-Profit Organization Act allows the merger of these two corporations with a surviving corporation of the two. It's been elected that the DSCP will be the surviving entity after the merger and will take on all the rights, responsibilities, assets and liabilities of the CVB. It is contemplated that after June 30, both boards will be presented with a merger plan and agreement for consideration and adoption. Upon the adoption of the agreement that will authorize the issuance and submission of the articles to the Secretary of State office. After the first meeting of the board of directors of the DSCP they will address the by-laws, board of directors, staggered terms and a name change. Provided the State's approval we will have the new organization in place sometime after July 1, 2019.

Ald. Turner asked if the merger has to happen prior to them becoming one entity. Atty. Thomas said that they recommend that the merger happen first and when there is a unified entity they

would address the name change.

Ald. Stellato said he thinks the merger is a great idea. His concern is that when they tried to do this about 10 years ago they were told it couldn't be done because of the SSA. He said that every other SSA in the community the money stays within the boundaries of that SSA. He asked for an explanation of how we will account for the money being spent for the SSA.

Atty. Thomas said that there will be an attempt to segregate the SSA funds. There are events that would completely take care of the SSA funds. He said it would be a concern if there were a surplus, but from what he understands the SSA funds don't cover 100% of the entities costs.

Jenna said that the events they do all have a separate budget, and they are held accountable through the monthly updates sent to the city and their board.

Ald. Stellato said he wants to make sure were prepared when and if someone questions.

Ald. Lewis asked how the new board will be selected.

Atty. Thomas said that until the articles of merger are approved they will be 2 separate entities. The non-for-profit statute indicates that the new board is the surviving corporation board. It is contemplated after one of their first meetings to revise and make up the combination of the two.

Ald. Lewis said that according to the by-laws they will need a 2/3 majority. Atty. Thomas answered that the surviving corporation's by-laws are in place upon approval of the merger. Once the new entity is created they'll contemplate through the appropriate percentages and amend the by-laws with the new organization in mind.

Jenna continued with her presentation and asked for the City's support of the merged organization in the amount of \$699,600.

Ald. Payleitner asked about the tax revenue growth measured and asked if the numbers are available to review. Chris Minick answered that we don't have the numbers for fiscal year 18/19 just yet, but do have 12 months' worth of data that can be provided. Ald. Payleitner asked if we are comparing the number of hotel rooms to last year. Jenna said that the numbers aren't ready, but she will get them for the alderman.

Ald. Bessner asked about maintaining the sponsorship dollars and asked if she is going to maintain those dollars vs. what she perceive to be an optimum level vs. last year or because this is a year of regrouping. Jenna said they will do both and are hoping to maintain the high level they have now with their sponsorship.

Ald. Lewis asked about notifying property owners. Jenna said that the letter about the merger and the change in the by-laws were sent. There has been no response.

Ald. Lewis asked if they have information regarding cost of the merger. Jenna said there is an outline of the expenses. Ald. Lewis asked if it could be expected that the cost will go down next year because the merger costs would not be included in the budget next year. Jenna said yes, but she didn't want to promise. Ald. Lewis asked where the money is coming from now, Jenna said it's coming from their reserves.

Ald. Turner asked what action should be taken and if the committee should vote on the budget? Mark said the budget is being approved on April 15. He pointed out that what is in the budget now is what One St. Charles requested on February 19. Revisions were made, but it was left status quo recognizing that Council had to weigh in on the new budget for the group. If a recommendation were made tonight we would the budget would be maintained as is and the contract for the new organization needs to be approved by City Council which would reflect the new amount.

Ald. Payleitner said that when the conversation started it was her understanding that there were four stipulations. That the budget would be \$650,000 and you didn't do that. There was supposed to have a memorandum of understanding, we don't have that. She also said that she doesn't see efficiencies that were promised.

Jenna said that they outlined the amount of programming staff needed to prove what's needed. We hired an HR consultant to make sure all the staffing needs are met and done the correct way.

Ald. Payleitner asked if there will be any other new hires. Jenna said that there will be a total of 8 employees, 4 from the partnership, 2 from the CVB, and 2 spots to fill.

Ald. Payleitner asked again about the efficiencies. Jenna said that marketing and being able to have one voice is important, and with all the other entities in St. Charles to bring everyone together to present St. Charles as a whole.

Ald. Payleitner asked about metrics and the baseline and if there will be others coming in besides One St. Charles that will improve the sales tax numbers, liquor tax, etc. She asked if they are going to assume that this is all because of them. Jenn said that they will be able to show them the pathways of how they hunt for the business, bring it in and close.

Ald. Bancroft said that he commends everyone on their collaboration and leadership. He said that no metrics can be perfect and they will change over time. Until we can assess based on track record going forward you can't make assumptions that it's 100% because of any one person's effort. He said that he appreciates the effort to provide metrics.

Ald. Stellato said that he feels comfortable with this because they will get a chance to have another look and if there are any issues we'll know ahead of time.

Recommendation by Ald. Turner, second by Ald. Vitek to include \$699,600 into the General Fund Budget for the City of St. Charles.

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

Ald. Payleitner pointed out that she is voting no because the 4 criteria were not met. She feels the merger is good, but the directives weren't met.

Mayor Rogina said that commends the Committee and the understanding of the legality of the SSA. He said he hasn't heard from the Committee if they see that this organization, in particularly the downtown, the SSA that's defined is going to receive much more than \$260,000.

There is another \$400,000 coming in from the Hotel Motel Tax. He said that this is an exercise in building relationships. To combine these organizations and have 2, the efficiencies will develop and the relationships will become stronger.

Ald. Lewis asked for clarity on how the SSA downtown is going to receive more. She said she represents the businesses on Randall Rd. and asked if those businesses will benefit from the merger.

Mayor Rogina answered that there are metrics for that and that hopefully all will benefit.

Chair Bancroft said that as we continue on and it's their initiative of giving us metrics to hold them accountable. Those will be refined over time and we'll get to something that shows what the progress is.

Ald. Lemke said that there are a lot of events at the Kane County Fairgrounds that wouldn't be of benefit to businesses on Randall Rd. Regarding the SSA, we have separate funds in St. Charles and we keep good books on those. I wouldn't expect anything less from these organizations.

Ald. Payleitner asked if grants for improvements to the buildings downtown will be increased.

Jenna responded that it wouldn't be in the first year.

Ald. Vitek said she is in support of this and that being a 501c3 the organization is held to higher standards. She thinks it's a great move and thinks that we see more businesses on Randall Rd. and west of Randall Rd. because of what happens downtown.

Ald. Silkaitis asked to see how the downtown businesses react to this and would like more information.

Motion by Ald. Lemke, second Ald. Bessner to enter into executive session for Property Acquisition as permitted under 5 ILCS 120/2(c)(11), and Pending Litigation as permitted under 5 ILCS 120/2(c)(11).

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

## 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)

Motion by Ald. Lemke, second by Ald. Stellato to exit executive session at 8:41pm.

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

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

**9. Adjournment**

Motion by Ald. Lemke second by Ald. Vitek to adjourn the meeting at 8:42pm.

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

**Motion Carried**

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