

**MINUTES
THE CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
ALD. STEVE WEBER, CHAIR
MONDAY, OCTOBER 16, 2023**

1. Call to Order

Chairman Weber called the meeting to order at 7:05 pm.

2. Roll Call

Present: Ald. Silkaitis, Ald. Foulkes, Ald. Bongard, Ald. Muenz, Ald. Lencioni,
Ald. Gehm, Ald. Pietryla, Ald. Wirball, Ald. Bessner

Absent: None

3. Administrative - None

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.

Motion by Ald. Bessner, second by Ald. Pietryla to approve the Omnibus item.

Voice Vote: Ayes: Ald. Silkaitis, Ald. Foulkes, Ald. Bongard, Ald. Muenz, Ald. Lencioni, Ald. Gehm, Ald. Pietryla, Ald. Wirball, Ald. Bessner. Nays: None. Absent: None. Ald. Weber did not vote as Chair. **Motion Carried.**

5. Police Department

- a. Recommendation to approve a Proposal for a Class A Liquor License Application for Main Street LLC dba Puffs & Pours, Located at 201/203 W. Main Street, St. Charles.

Acting Police Chief Eric Majewski introduced the item. The business will be named Main Street Liquor. The dba Puffs and Pours will not be used. The Liquor Control Commission passed this item earlier tonight. The applicant also has a liquor license for Shop and Save in Antioch, which is in good standing. The police department recommends approval of this application.

Concerns were raised about the delivery location for this store and DC Majewski will follow up with the applicant to ensure there are no traffic disruptions.

Motion by Ald. Lencioni, second by Ald. Gehm to recommend approval of a Proposal for a Class A1 Liquor License Application for Main Street LLC, Located at 201/203 W. Main Street, St. Charles.

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

6. Finance Department

- a. Recommendation to authorize the Finance Director to execute the risk insurance program renewal for the year beginning December 1, 2023 in the amount of \$970,918.

Bill Hannah explained that the Finance Department has spent several months working on this renewal, and is pleased to report that the cost is only 1.7% more than last year. The cyber coverage cost is reduced, and other coverage increased 3.6%. Because of the property coverage challenges over the last few years, this level of increase is a good outcome. There were no changes in the self-insured limits, deductibles, or retentions,

Motion by Ald. Bongard, second by Ald. Wirball to recommend authorization for the Finance Director to execute the risk insurance program renewal for the year beginning December 1, 2023 in the amount of \$970,918.

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

- b. Recommendation to approve the Preliminary Estimate of the 2023 Property Tax Levy for the City of St. Charles in the Amount of \$ \$24,465,744.

Bill Hannah reminded the committee that this is an estimate, and the actual tax amount will be on a December agenda. Property taxes comprise approximately 23% of the City's general revenue. The City portion of the residents' property tax bill is approximately 10% of the total.

The proposed tax levy estimate breakdown is as follows.

- \$7,155,854 – General Purpose (1.93% decrease vs 2022)
- \$7,456,959 – Police and Fire Pensions (8.22% increase vs 2022)
- \$9,852,931 – Bonds/Debt Levy (principal and interest, to be abated)

This would equate to a proposed 2023 levy of \$24,465,744. After the Bonds/Debt Levy is abated, the total operating amount of the levy would be \$14,612,813, or a

3% increase over the prior year's extension.

According to information from Kane County, the EAV is expected to increase 10% for 2023, and residential EAV is expected to rise 13%.

The City has a goal to reach 100% funding for police and fire pensions by 2040. It is desired to maintain consistent and reliable funding for the pensions, and not to use sources at risk for fluctuations that may result in insufficient funding.

The Mental Health Board levy amount increases to \$660,000, which is almost \$25,000 more than in 2022 and a rate decrease to 3.5% vs 2022's rate of 3.74. This is consistent with the goal of increasing funding for mental health agencies while staying near the 4% total rate. The decrease in tax rate is due to the estimated increase in equalized assessed valuation of approximately 10%.

The City is seeing a reduced need to fund capital projects from general fund monies. Tight labor markets and challenges with recruiting and retention of employees will result in increases in wages and benefits costs. The economic outlook for next year is still positive for consumption-based revenues. The City expects police and fire pension contributions to increase over the next several years. A 3% levy overall increase allows consistent funding, and equates to an annual increase of \$24 for a home valued at \$300,000.

Committee members commented and asked questions. It is appreciated the work that has been done and that the rate increase is low considering the current inflation rates. It was requested to look for new revenue streams to fund pensions, as was done with sales tax increase to fund road improvements.

The General Fund reserve fund level of 46.1% is higher than the required 25% level, and those funds are preferably used for long-term and durable items. One of the reasons for holding higher than required reserve funds is to offset long-term debt and pension liabilities in relation to City's overall fiscal profile. Concerns were raised about the need to approve the property tax levy before the budget is discussed in detail in January. Statutory requirements dictate the timing for approval of the tax levy. Further discussion was had on the City's unfunded pension liabilities and long-term solutions.

Motion by Ald. Lencioni, second by Ald. Bessner to recommend approval of the Preliminary Estimate of the 2023 Property Tax Levy for the City of St. Charles in the Amount of \$ 24,465,744.

Roll Call Vote: Ayes: Ald. Foulkes, Ald. Bongard, Ald. Muenz, Ald. Lencioni, Ald. Gehm, Ald. Bessner. Nays: Ald. Silkaitis, Ald. Pietryla, Ald. Wirball. Absent: None.

Ald. Weber did not vote as Chair. **Motion Carried.**

7. Information Systems

- *a. Recommendation to approve a **Resolution** Authorizing the Approval of a One-year Agreement with the Center for Internet Security for \$27,600.

Motion by Ald. Bessner, second by Ald. Pietryla to recommend approval of a Resolution Authorizing the Approval of a One-year Agreement with the Center for Internet Security for \$27,600.

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

8. Public Comment - None

9. Additional Items from Mayor, Council or Staff – None

10. Adjournment

Motion by Ald. Wirball, second by Ald. Foulkes to adjourn the meeting at 7:49 pm.

Voice Vote: Ayes: Ald. Silkaitis, Ald. Foulkes, Ald. Bongard, Ald. Muenz, Ald. Lencioni, Ald. Gehm, Ald. Pietryla, Ald. Wirball, Ald. Bessner. Nays: None. Absent: None. Ald. Weber did not vote as Chair. **Motion Carried.**

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