

**AGENDA**  
**THE CITY OF ST. CHARLES**  
**GOVERNMENT OPERATIONS COMMITTEE**  
**ALD. RON SILKAITIS, CHAIR**  
**MONDAY, NOVEMBER 7, 2022**  
**IMMEDIATELY FOLLOWING THE CITY COUNCIL MEETING**  
**CITY COUNCIL CHAMBERS – 2 EAST MAIN STREET**

**1. Call to Order**

**2. Roll Call**

**3. Administrative**

- a. Fuel Tax October 2022 – 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. Information Systems**

- \*a. Recommendation to authorize staff to award a contract to the Center for Internet Security for \$27,600.

**6. Police Department**

- a. Recommendation to Repeal City Ordinance Title 9 “Public Peace, Morals and Welfare”; Chapter 9.28 “Begging”.

**7. Finance Department**

- \*a. Motion to approve the Budget Revisions for October 2022.
- b. Recommendation to approve the preliminary estimate of the 2022 property tax levy for the City of St. Charles in the amount of \$24,351,284.

**8. Public Comment**

**9. Additional Items from Mayor, Council or Staff**

**10. Executive Session**

- Personnel – 5 ILCS 120/2(c)(1)
- Pending, 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)

**11. Adjournment**

***ADA Compliance***

Any individual with a disability requesting a reasonable accommodation in order to participate in a public meeting should contact the ADA Coordinator, Jennifer McMahon, at least 48 hours in advance of the scheduled meeting. The ADA Coordinator can be reached in person at 2 East Main Street, St. Charles, IL, via telephone at (630) 377 4446 or 800 526 0844 (TDD), or via e-mail at [jmcmahon@stcharlesil.gov](mailto:jmcmahon@stcharlesil.gov). Every effort will be made to allow for meeting participation. Notices of this meeting were posted consistent with the requirements of 5 ILCS 120/1 et seq. (Open Meetings Act).



**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item Number: 3a

Title:

City of St. Charles Fuel Tax Receipts October 2022 - Information Only.

Presenter:

Bill Hannah, Finance Director

Meeting: Government Operations Committee

Date: November 7, 2022

Proposed Cost: \$ -0-

Budgeted Amount:

Not Budgeted:

**Executive Summary** *(if not budgeted please explain):*

Fuel Tax Information for October 2022

**Attachments** *(please list):*

City of St. Charles Fuel Tax Receipts October 2022 – Information Only

**Recommendation/Suggested Action** *(briefly explain)*

None – For Information Only

**City of St. Charles  
Local Fuel Tax Receipts  
Fiscal Year 2022-2023**

LIABILITY PERIOD	PAYMENT RECEIVED	TOTAL REVENUE RECEIVED
May-22	June-22	\$ 41,236.40
June-22	July-22	\$ 40,834.92
July-22	August-22	\$ 35,358.32
August-22	September-22	\$ 36,449.17
September-22	October-22	\$ 37,223.35
October-22	November-22	\$ -
November-22	December-22	\$ -
December-22	January-23	\$ -
January-23	February-23	\$ -
February-23	March-23	\$ -
March-23	April-23	\$ -
April-23	May-23	\$ -
<b>TOTALS</b>		<b>\$ 191,102.16</b>

*The local fuel tax rate is two cents per gallon (\$0.02/gallon) and applies to motor fuel retail purchases within the City of St. Charles.*



**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 5 \*a

Title:

Recommendation to authorize staff to award a contract to the Center for Internet Security for \$27,600.

Presenter:

Larry Gunderson, Director of Information Systems

Meeting: Government Operations Committee

Date: November 7, 2022

Proposed Cost: \$27,600

Budgeted Amount: \$27,000

Not Budgeted:

**Executive Summary** *(if not budgeted please explain):*

The City is a member of the Multi-State Information Sharing and Analysis Center (MS-ISAC), a division of the Center for Internet Security (CIS) dedicated to improving the overall cybersecurity posture of the nation's state and local governments. MS-ISAC is federally funded through the Cybersecurity and Infrastructure Security Agency (CISA).

Membership in MS-ISAC provides the City with an outstanding resource to assist in meeting its information security program goals, including access to CIS services. The City initiated services with CIS in December 2021 at a discounted annual cost of \$23,460. The same services are proposed for the current year at a cost of \$27,600.

**Attachments** *(please list):*

**Recommendation/Suggested Action** *(briefly explain):*

Authorize staff to award a contract to the Center for Internet Security for \$27,600.



**AGENDA ITEM EXECUTIVE SUMMARY**

**Agenda Item Number: 6a**

**Title:**

Recommendation to Repeal City Ordinance Title 9 “Public Peace, Morals and Welfare”; Chapter 9.28 “Begging”

**Presenter:**

Police Chief Keegan

**Meeting:** Government Operations Committee

**Date:** November 7, 2022

Proposed Cost:

Budgeted Amount: \$

Not Budgeted:

**Executive Summary** *(if not budgeted please explain):*

A recent court ruling found a similar ordinance prohibiting panhandling/begging in another Chicagoland community unconstitutional. In addition, the Illinois State statute prohibiting this practice in a roadway (625 ILCS 5/11-1006©) was also ruled to be non-enforceable.

**Attachments** *(please list):*

Chief Keegan’s Memo

**Recommendation/Suggested Action** *(briefly explain):*

The Police Department recommends the repeal of City Ordinance Title 9 “Public Peace, Morals and Welfare”; Chapter 9.28 “Begging.”



# Memo

Date: 11/1/2022  
To: Heather McGuire, City Administrator  
From: James Keegan, Chief of Police  
Re: Repeal Ordinance (Begging 9.28.010)

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The purpose of this memorandum is to outline my recommendation to repeal our Begging ordinance (9.28.010).

A recent court ruling found a similar ordinance prohibiting panhandling/begging in another Chicagoland community unconstitutional. In addition, the state statute prohibiting this practice in a roadway (625 ILCS 5/11-1006©) was also ruled to be non-enforceable.

Although the court order is applicable only to the parties in that litigation, any enforcement by the City of St. Charles of a similar ordinance would result in a legal challenge seeking injunctive relief, monetary damages and attorneys' fees for violations of First Amendment rights under the U.S. Constitution. With this decision in mind, it clearly becomes a greater risk for any municipality or its police officers to enforce such panhandling restrictions and therefore, I recommend the repeal of this ordinance.

I also consulted with counsel who agrees with this recommendation. Thank you for your consideration in this matter. I will advance this on to committee/council for repeal.



**AGENDA ITEM EXECUTIVE SUMMARY**

**Agenda Item number: \*7a**

Title: Motion to Approve the Budget Revisions for October 2022

Presenter: Finance Director Bill Hannah

Meeting: Government Operations Committee

Date: November 7, 2022

Proposed Cost: \$ -0-

Budgeted Amount:

Not Budgeted:

**Executive Summary** *(if not budgeted please explain):*

Budget revisions for October 2022 – Information Only

**Attachments** *(please list):*

Budget revisions for October 2022

**Recommendation/Suggested Action** *(briefly explain)*

Budget Revisions for the City of St. Charles October 2022





CITY OF ST. CHARLES  
Budget Revision Listing

October 2022

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JE TYPE	JE #	BUDGET #	COMPANY	FISCAL YEAR	PERIOD	DATE	ACCT-UNIT	ACCOUNT	AMOUNT	DESCRIPTION
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The revisions shown herewith have been approved by the City Council, except as noted below.

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Chairman, Government Operations Committee      Date \_\_\_\_\_

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Vice Chairman, Government Operations Committee      Date \_\_\_\_\_

\_\_\_\_\_  
Finance Director      Date \_\_\_\_\_

Exceptions:

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**AGENDA ITEM EXECUTIVE SUMMARY**

**Agenda Item Number: 7b**

**Title:**

**Seeking a Motion to Approve the Preliminary Estimate of 2022 Property Tax Levy in the amount of \$24,351,284**

**Presenter:**

Bill Hannah, Finance Director

**Meeting:** Government Operations Committee

**Date:** November 7, 2022

Proposed Cost: \$

Budgeted Amount: \$ N/A

Not Budgeted:

**Executive Summary** (if not budgeted please explain):

**Background**

The City is required to prepare a preliminary estimate of its property tax levy each year. This formal estimate provides the basis for the truth in taxation notice published in the local newspaper. The actual tax levy ordinance will be presented for approval at the December 5, 2022 City Council meeting after the official public hearing is held on that same evening. Property taxes comprise about 25% of the city’s budgeted revenues for the General Fund and are a key revenue source of funding core city services. The 2022 property tax levy will provide funding for the upcoming FY 2023-24 Budget for the City.

Last Year’s 2021 Tax Levy/Extension

Operating Levy: \$13,721,500 (See breakdown below)  
 Bonds/Debt Levy: \$10,855,111 (Abated in its entirety)  
 TOTAL: \$24,576,611

As indicated above, as has been past practice, the property taxes for the City’s general obligation bonds were abated and paid with other general fund, TIF or utility fund revenue sources. A summary of last year’s extensions for the 2021 operating levy portion is provided below:

<b><u>General/Other Purposes</u></b>	<b><u>2021</u></b>
Corporate	2,928,852
Fire Protection	1,865,021
Police Protection	1,865,021
Mental Health Board	611,638
<b>Total General</b>	<b>7,270,530</b>
<b><u>Pension</u></b>	
Police Pension	3,870,588
Fire Pension	2,580,382
<b>Total Pension</b>	<b>6,450,970</b>
<b>Total Extensions</b>	<b>13,721,500</b>

**2022 Levy Considerations**

The actuarial valuations completed for the Police Pension Fund and the Firefighters’ Pension Fund are a key consideration when determining the amount of the tax levy because the City’s recommended annual funding contribution is incorporated into the operating tax levy. The actuarial valuations for both funds

were completed and measured as of April 30, 2022. As a result of the investment returns of the plans during the year, actuarial plan experience compared to assumptions, and updates to mortality, retirement, disability, withdrawal and salary increase assumptions, an increase in the required City contributions to the plans must be incorporated into the upcoming levy:

- The Police Pension Fund required City contribution funded by the levy is increasing \$300,164 or 7.8% to \$4,170,718
- The Firefighter’s Pension Fund required City contribution funded by the levy is increasing \$139,205 or 5.4% to \$2,719,565

In summary, that portion of the City’s property tax levy which funds the police and fire pension annual required contributions will be increasing \$439,369 over last year. The remaining components of the operating tax levy will be held relatively constant which results in a 3.2% increase over last year’s total operating levy.

One other line item included in the general tax levy category but which does not fund operations is the line item for the Mental Health Board. That tax levy amount has historically been set close to \$0.04 cents on the property tax bill, with funds distributed to agencies by the Board.

**2022 Estimated Operating Levy Recommendation**

Last year, the City increased the operating levy from the previous year by 4.99%. This helped the City fund its operating budget for the FY 2022-23 and pass a balanced General Fund budget. The City has also benefited from increases in sales tax and other tax revenues over the past year which has improved the City’s short-term fiscal outlook. While the City still has many operating and capital needs that will require funding, staff feels that it would be appropriate to set the estimated total operating tax levy to incorporate the increased amounts for police and fire pensions, an increase for the Mental Health Board, and keep the other levy components essentially flat. This would keep the total increase at 3.39%, less than the increase last year, while maintaining the level of property tax dollars levied for the Corporate, Fire Protection and Police Protection components of the levy.

	Property			
	Tax Extensions		Dollar	Percent
<u>General/Other Purposes</u>	<u>2021</u>	<u>Proposed 2022</u>	<u>Change</u>	<u>Change</u>
Corporate	2,928,852	2,929,000	148	0.01%
Fire Protection	1,865,021	1,866,000	979	0.05%
Police Protection	1,865,021	1,866,000	979	0.05%
Street and Bridge	-	-		
Mental Health Board	611,638	635,000	23,362	3.82%
<b>Total General Purpose</b>	<b>7,270,530</b>	<b>7,296,000</b>	<b>25,470</b>	<b>0.35%</b>
<b><u>Pension</u></b>				
Police Pension	3,870,588	4,170,718	300,130	7.75%
Fire Pension	2,580,382	2,719,565	139,183	5.39%
<b>Total Pension</b>	<b>6,450,970</b>	<b>6,890,283</b>	<b>439,313</b>	<b>6.81%</b>
<b>Total Extensions</b>	<b>13,721,500</b>	<b>14,186,283</b>	<b>464,783</b>	<b>3.39%</b>

**Bonded Debt Levy**

The total amount of principal and interest payments on the City’s general obligation debt for the 2022 levy year is \$10,165,001. This is a decrease from the prior year of \$10,855,111 due to the refunding of certain maturities at a lower interest rate and changing the composition of the debt service amortization structure. When combined, the two components for the estimated 2022 levy are as follows:

**This Year’s 2022 Estimated Tax Levy**

Operating Levy:	\$14,186,283
Bonds/Debt Levy:	<u>\$10,165,001</u> (To be abated in its entirety)
TOTAL:	\$24,351,284

**Summary**

The 2022 estimated levy as presented after the abatement of all debt would result in an increase of about \$24 annually or approximately \$2 per month for the owner of a home with a fair cash value on the property tax bill of \$300,000. This assumes no change in the assessed value of a home relative to other properties and the City as a whole. Kane County currently estimates that the EAV for the City will increase by approximately 6% in total.

The 3.39% proposed increase in the overall operating levy is less than the CPI allowance for non-home rule governments subject to the Property Tax Extension Limitation Law (PTELL, “tax cap”). The applicable CPI inflation factor for 2021 was 7.0%, the first time since the law was enacted in 1991 that it was above the maximum of 5% for the year. The City is home rule and PTELL does not apply to the City, but it is an important indicator and one of the reasons why the cost of providing services is increasing and it is important to maintain a balanced structure of revenues in the General Fund to provide services.

The attached chart shows a history of the City operating property tax extensions broken down into police/fire pension and operating. As the chart shows, the amount of property tax dollars available to fund operations has decreased over the years as the amounts necessary to fund police and fire pensions has increased. In prior years where the total levy was held constant, the total dollars remaining after pension funding considerations would decrease significantly. By increasing the levy at a minimum necessary to fully fund the required pension contributions, the City will at least maintain status quo property tax funding for general operations.

**Attachments *(please list)*:**

**None**

**Recommendation/Suggested Action *(briefly explain)*:**

**Seeking a Motion to Approve the Preliminary Estimate of 2022 Property Tax Levy in the amount of \$24,351,284.**

**Total Property Tax Extensions and Breakdown Between General Purposes and Police/Fire Pension Actuarially Determined Amounts**

