

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, APRIL 4, 2011**

Members Present: Chair. Carrignan, Ald. Stellato, Monken, Penny, McGuirk, Turner, Krieger, Martin, Bessner, and Lewis

Members Absent: None

Others Present: Mark Koenen, Chris Aiston, Chief Lamkin, Chris Minick, Peggy Forster, Chief Mullen, Rita Tungare and Brian Townsend

1. Opening of Meeting

The meeting was convened by Chair. Carrignan at 7:35 p.m.

2. Omnibus Vote

None

3. Budget Presentation – Enterprise Funds for FY11-12

Chris Minick: Tonight is the second in our series of updates regarding the status of FY11/12 budget. We will focus on the Enterprise Funds, then discuss some of the next steps in the process. We will be bringing forward a proposed budget document in the next couple of weeks.

What is an Enterprise Fund? I will go through the definition of an Enterprise Fund. List some of the ways this compares and contrasts with the General Fund. There are some distinct concepts. We will give a status of the comprehensive rate study for the Utility Fund that's been undertaken and then go into an overview of Utility Funds which are Electric, Water and Wastewater/Sewer Funds. And then take any questions/comments. Some of the key concepts of tonight's presentation and things to keep in mind as we go through the presentation are that the Utility Enterprise Funds will need a rate adjustment to sustain their current levels of operation and to fund capital improvements. A typical residential customer will see an average monthly impact of \$9.29 as a result of these rate adjustments. However, even taking this change into account, the proposed utility rate for the City of St. Charles and its three utilities will be the lowest utility charges for the typical residential customer as opposed to the current rates in affect with the other utilities in the TriCity area.

What that means is the numbers for St. Charles tonight, we are talking about the numbers that include the changes or rate increases that we are looking at for these three particular utilities. We will talk about other cities in the TriCity area. We are talking about their current rates in effect. If they have any rate increases going into their FY11/12 that will increase the amount of their billings as compared to the City of St. Charles.

What is an Enterprise Fund? It has a different focus and is a different animal than the General or Governmental Funds talked about two weeks ago. An Enterprise Fund essentially is an account for a separate and distinct business enterprise. When an Enterprise Fund is established or when a governmental entity establishes an Enterprise Fund it is typically the intent of the government body that the cost of providing the goods or services that the fund is going to provide will be financed or recovered primarily through user charges. That's a different focus from the General Fund or governmental fund which typically has tax revenue as its funding base and as the source of its resources or revenues to provide general governmental services. Because of this distinct difference, generally accepted accounting principles do require that local governments use an Enterprise Fund to account for their business types of activities. The methods of recognizing revenue and expenditures are slightly different under an Enterprise Fund and are accounted for as a private business enterprise as would be outside of a governmental or city entity.

Chrmn. Carrignan: Just to clarify, when looking at an Enterprise Fund. We are looking at their budget going to both operational, capital, and reserves. There is not really a P&L line although it is run like a private business.

Chris: You do measure operation revenues and expenditures and do make some distinction in operating expenditures and non-operating expenditures. For instance, in an Enterprise Fund, interest income is a non-operating revenue. It's not one of the user fees that is charged or intended to finance the totality of the operations. In a governmental/general fund interest income is above the line and is accounted for as a revenue.

Enterprise Funds that are in place at the City of St. Charles are the three main ones: Water Fund, Sewer/Wastewater Fund, and Electric Fund. We also have the Refuse Fund that is very small in scope and is considered a non-major enterprise fund for the City. The other three are consider major enterprise funds. Other common examples you see in government entities are stormwater utility, sport facilities and banquet halls that get accounted for as business entities. Again not subsidized by tax revenue, they are expected to fund all their operations through user fees.

Comprehensive Rate Study – in the Fall 2010 we undertook a commission for a rate study for all three major utilities. This was done due to some differences in rate structure and some financial performance issues that we noticed over the last couple of fiscal years. We wanted to make sure that the City's utility rate structure, as it is currently structured, matches the expense streams that each of our utilities were experiencing, both in the amount in totality of the expenses, but also the way in which we occurred those expenses. There have been some changes in some of the specifics, particularly related to the Electric Fund.

The second major goal of the study was to make sure our rate structure was adequate to allow for construction of necessary capital projects and infrastructure improvements that we have in books as we go forward. So what is the status of the rate study? The analysis,

numbers, and all the data compilation is essentially complete. A draft report is being prepared right now and we do expect to present those results at the April 25 Government Services Committee meeting and we are incorporating some of the basis concepts into some of the basic premises into this presentation this evening.

Electric Fund – I've mentioned that we have some divergence in the way that the rate structure is currently structured vs. the way we incur expenses in the Electric Fund. Primarily when we were on the ComEd contract several years ago, we had a situation whereby the City bought power by the wholesale basis from ComEd and we had some distinct differences between summer rates and non-summer rates. The City established summer rates and non-summer rates within its rate structure in its Electric Fund. That does not mirror the way we incur costs for wholesale power purchases currently. Under our contract with IMEA it is more production base cost of wholesale power purchases that the City is charged. Other words, what it costs IMEA to produce and provide power to the City becomes our wholesale cost of power with a couple of adjustments that are called out within the contract. We were also seeing a divergence between our fixed and variable cost and our fixed and variable revenue streams. We have two components to the Electric Fund. We have a monthly customer service charge and we have energy charges. We have the same thing in the Water and Sewer Funds as well. What we are noticing is the fixed revenue streams have not been keeping pace with the fixed portion of the cost – the cost we have is to just have the system in place. Another item to keep in mind is that approximately 70% of the budget of the Electric Fund is currently wholesale power purchases.

As we look at the rate study and prepare the budget for this year, we set a rate design to address a couple of these issues. First, we would like to change the monthly service charge to \$8.50 as we go forward on May 1. The second portion is that we are not currently proposing any changes to our summer rates. The summer energy rates for 2011 will be exactly the same as the summer energy rates for 2010 – the kilowatt hour charge is another way to refer to the energy charges. One of the concepts that we noticed is that the positive cash flow for the Electric Fund is primarily generated during the summer time with those summer time rates. What we're proposing, therefore, is an adjustment to the non-summer energy rates effective October 2011. What we'll be working for with the rate study as a whole, is narrowing the gap between the summer and non-summer rates until eventually the City has one electric rate that applies year round. We estimate that the impact of all of these changes to the Electric Fund that we've gone through would mean a change in the billing to our typical residential customer of about \$4.21 and that does incorporate all the propose changes that you see listed before you.

Some of the capital projects that are anticipated within the budget of the Electric Fund right now are System Automation Project, new street lights for East Main Street, local distribution center, and various cable and switchgear replacement and maintenance.

Ald. Stellato: The basic rate is going up to \$8.50 – what is it now?

Chris: \$5.84.

Ald. Penny: The automation project, this is what we talked about the other night. We have \$1M put aside, is that something that could be postponed possibly to help with the expenses?

Chris: From a financial standpoint it is, but from an operational standpoint I need to ask someone from the Electric Department.

Glynn Amburgey: Yes that can be postponed. The reason is we are undertaking the automation program direction from Council back in 2009 to increase system reliability. There is not a definite time frame to that so that particular project could be postponed if that is the Council's desire. However, we have moved forward with the Council's direction and we are planning to use bond funds for that, so the actual impact would be just the debt service on those bonds.

Chrmn. Carrigan: We've already invested into that automation process \$200K – correct?

Glynn: Less than \$200K and that was for the study and design. And that doesn't go away if you should decide to delay that and the basic concept would remain the same.

Ald. McGuirk: When will the rate study be available to the public?

Chris: It will be discussed at the April 25 meeting, so it would be posted closer to that time. We will at least have a presentation. The report in of its entirety will definitely be available upon its acceptance by the City Council.

Water Fund – This is in a situation where the current rate structure has not and does not cover the cost for operations. The base rate level is the same as in 1997. It has changed and gone up and down a couple of times since then to under the current level. But if you look at the rate schedules that have been in affect since the 12-15 years, you will see that we are charging a \$1.72 currently for consumption of a thousand gallons of water. In 1996/97 we charged a \$1.72 for a thousand gallons of water. Historically the operations of this particular fund have been subsidized with non-rate revenues; particularly connection fees and currently we are not experiencing the level of connection fee revenue on the water side that we had seen previously. Two main factors account for that. One is that the City is getting close to build out and construction activity isn't as robust as it once was. The second factor is the general economic condition is not as robust as it once one. Also within the Water Fund, similar to the Electric Fund, the fixed and variable costs and revenue streams are a little out of whack. The compliance projects, particularly for the radium standard, have significantly increased the operational and debt cost. The radium removal project is one example. We anticipate that our current reserves will drop to below 25% in 2013/14 if the situation in the Water Fund is not addressed. Currently

we are at a healthy level, but the situation with the operating expenses we would drop below that threshold.

With the need we anticipate in the Water Fund, we do actually have some rate changes proposed to the Water Fund in two particular phases. May 1 we would change the monthly charge to \$3.82. Currently it is \$3.60. We would also look at changing the volume/consumption charge to \$1.82 per thousand gallons of consumption – a 10% increase per one thousand gallons. Also looking to increase the excess consumption charge to \$3.08 – currently it is \$2.91. In the summertime, once an individual's water consumption raises above 130% of what the winter consumption is, there is an additional premium charge on that excess water consumption above 130% to compensate for the fact that it is mainly discretionary water use in terms of watering lawns, gardens, and utilizing outdoor water consumption.

We do have an additional phase proposed for October 1 when we would look at again increasing the monthly charge to \$4.96 and our volume charge would change to \$2.08 per one thousand gallons of consumption, and the excess consumption charge changes to \$3.52 per one thousand gallons of consumption. Both phases of these rate changes and rate increases, the total monthly impact to our typical residential customer, is about \$2.88. A typical residential customer uses about 7000 gallons in the winter time and 11,000 gallons in the summer time.

Ald. Penny: The \$2.88 wouldn't include the excess consumption if its in October?

Chris: There may be one month that would go over, but that is viewed as a discretionary use of water. Also, it should be noted that this level of consumption does place additional burden on the system in terms of pumping and storage that the City has to have in the towers and tanks to meet that demand in the summer.

Some of the capital projects that are budgeted in the Water Fund are in conjunction with the IDOT project where we will replace the water mains on Rt. 64, elevated tank number 3 construction including Campton Hills tank maintenance, and water main project on Second Avenue west of Delnor.

Sewer Fund – This fund has a similar situation as the Water Fund, but to a lesser degree. We had a situation in the Sewer Fund where non-operating revenues had indeed subsidized operations like the Water Fund. Those have typically been connection fees. However, on the Sewer Funds we have a couple of mitigating circumstances that have kind of tempered the financial results of the Sewer Fund as compared to the Water Fund. The rates have been increased on a more regular basis as the Water Fund has gone up and down in terms of the consumption charges over that last 10 – 15 year period. The Sewer Fund has typically trended what you would expect to see at a moderately increasing level. Therefore, the financial results for the Sewer Fund have been more stabilized than we have experienced on the Water Fund side. Additionally the City has been able to secure and utilize the IEPA low interest loan program for many of the projects that it has on the

books. What that means is that about a 50% reduction in our interest cost to borrow money for those particular projects; 50% is a benchmark in the bond market of where we might be in at any point in relation to a low interest loan program, but it does have some significant impacts in terms of the debt service costs. Additionally as we look to the Sewer Fund, the current reserve level is healthy. As we look out within the 4-year budget period the reserve level does remain above the 25% threshold, but if we continue the trend and don't address some of the situations we have with the operating revenues, we would have a situation further out where we would eat into those reserves.

In the Sewer Fund we are looking at face of rate change. We will be looking at changing the monthly service charge from \$8.90 to \$9.43 and the volume charge would change from \$3.53 to \$3.74 per thousand gallons of water consumption. The average monthly impact to a typical residential customer would be \$2.20 based on those changes anticipated in the Sewer Fund.

Sewer Fund capital projects we are looking at are: replacing sewer mains along Rt. 64, bio-solids building at our east-side treatment facility that is nearing its useful life and is going to need some reconstruction and replacement of equipment. That is budgeted in the outlying years of the budget projection. We do need to do some maintenance to some siphons as well as a lift station replacement at Royal Fox subdivision.

So what does all this come to as you put everything into the hopper? What is going to be the monthly financial impact to our typical residential customer? Chris talked through Utility Charges and Costs tables and stated the total monthly impact would be \$9.29 to our typical monthly customer. However, as it was mentioned at the onset, even with these changes that staff is proposing here this evening, the City of St. Charles still has the lowest, average annual utility charges as compared to the TriCities and also as compared to ComEd. On the charts St. Charles annual totals is slightly below \$1,800. If the City had ComEd rates in effect, our typical residential customer would see an increase in their average utility billings of approximately \$150 on an annual basis. It is important to note that the data compares the proposed City of St. Charles rates with the current rates for other utilities.

Ald. Monken: One comment on the water and sewer and to give some promotion towards this rain barrel presentation that is coming up for people who do like to garden and water. This is something people should consider both environmentally and for the wastewater and water usage.

Chris: Absolutely. The rain barrel program could definitely benefit and save money by utilization of a rain barrel for the summer months. Besides saving money, it is a green thing to do.

Ald. Penny: On the billing when a person gets their bill, will it distinguish the fact that there is an excess charge or is just going to be one big water bill and a resident won't know why?

Chris: I believe it is just a water line right now. I would need to check into that. If they were to call, we would be able to tell them that. I think there are three individual lines and we do distinguish what they are. This is an item we can look at.

So to wrap up, the utility enterprise funds are going to need some adjustments as we move forward to sustain the current operational and capital improvements that we anticipate. We do have a series of changes proposed to the rate structure. The average typical monthly residential customer will see an impact of about \$9.29, but again, even with those changes we would anticipate that our proposed utility billing rates will still be the lowest in the TriCities area as compared to the current rate that are in affect at the other TriCity communities.

Next steps in the budget process is that we will be holding a Public Hearing on April 18 and will be bringing forward the budget document for consideration of approval at that particular meeting and we will ask that this budget be in place by the time the City's fiscal year begins on May 1.

Ald. McGuirk: The excess consumption charge on the water – that is compared individually to everyone's winter or is just an average?

Chris: No, the billing system goes through and computes it on an individual basis. It is NOT a set average standard. The billing system actually looks at the three lowest months that fall outside the summer billing period and what that consumption level is, calculates 130% of that; and if the summer consumption exceeds 130%, the increment above 130% gets billed at the premium rate.

Ald. Krieger: Would that be just for the month you went over or a set number of months?

Chris: It would look at each month individually. So, if one month you were at 150% you would get billed the premium. If the next month you fell to 100% of your winter time consumption, you would get billed just at that 100% level – no premium would apply. So it is based on actual usage each and every month. It is not any kind of a set thing that rolls forward over a period of time.

4. Presentation regarding St. Charles Sustainability Initiative – Revenue.

Brian Townsend: A month ago we focus on the Sustainability Initiatives for expenditure related ideas/suggestions that were submitted to us. Tonight we are focusing on the other side of that equation which is the revenue components. When we looked at the ideas that we asked people to focus on – these were the things we asked people to look at. This new revenue item which is the fourth bullet point down is the one being presented this evening. Although past budget presentations have shown that our financial situation is improving, we are getting close to a balance budget. In achieving that financial fiscal sustainability that we sought, it is important to recognize that it's

primarily because of a lot of these ideas are included in the proposed budget. So the extent is we decide we want to take things out or implement those things that have a very strong probability of influencing our fiscal condition going into the next fiscal year.

Some of the ideas that were submitted for consideration, we are not recommending at this time. This is a list of the top ten things that are important to highlight that we are not doing.

- One, sponsorship of city properties or trying to sell naming rights or advertising on certain city buildings. There are just too many code issues with that and are not really sure of the market for that, so we decided not to pursue that at this time.
- Reducing support for the Mental Health Board and Convention Business Bureau – those were two separate ideas that were submitted, evaluated, and dismissed at this point in time.
- Vehicle licensing program or vehicle stickers – that was by far the most often mentioned suggestion that we got and thought it was something the City ought to look at given what other communities do. It was estimated that through that program we could generate upwards to half a million dollars in revenue on an annual basis after accounting for administrative costs and the cost of operating that program. It was decided at this point that this was something we were not going to recommend approval for.
- A business licensing program was the second most frequently mentioned suggestion. That is a concept that the City has considered previously. It is something we are going to keep on our radar screen for potential future consideration, but at this point in time it is not something we think we need to add to the burden of local businesses by asking them to pay another fee to the City.
- Contractor/registration licensing program is very similar. It is a business licensing program particularly to contractors who are performing work in the community whether that be a general contractor, roofer, carpenter – those types of things.
- Implementing a fee for parking in downtown parking structures. We thought this would be something that would probably work against our businesses downtown and create an additional burden and discourage people from coming downtown. Giving the progress we made in the last four years and revitalizing the downtown, especially 1st Street, we thought that idea to be counter productive to our goal in that area.
- Two other items mentioned were reinstating the food/beverage tax. This was a ½ cent tax that was repealed in 2006 and not something we thought was feasible at this point.
- Increasing the alcoholic beverage tax that was imposed last year. Again the tax revenue we are receiving from that is on target, but increasing after less than a year of experience we thought was a bit premature and something we are not recommending.
- There was a recommendation to recommend a fee for paper utility billing statements but as it stands right now the cost for generating those paper statement

is already built into the cost of the service charge we have – so there is no benefit in doing this.

- Implementing fees for fire inspections. We have these annual housekeeping inspections that we do. That's really a Public Safety initiative and didn't feel it was fair to charge a business for something that we felt was that important.

This is a summary of some of the keys things that are NOT being recommended. There is a more comprehensive list in the packet, but these are the ones I wanted to highlight for the committee.

Ald. Bessner: Wrt the vehicle stickers, I know you said we are not going to visit that now, but is it something out in the future for the next few years?

Brian: We could take another look at it. One of the things important to recognize with this type of program and I know Chris Minick, Chief Lamkin and myself have prior experience from different communities in trying to operate this kind of a program; it is not something that is ever popular with residents, number one. Number two it is difficult to enforce when people drive home and park their cars in their garage – it is difficult to track enforcement. And third, in terms of annual administration there is a lot of cost associated with mailing applications, receiving applications, processing applications, sending out the stickers, there is always a last minute rush before the deadline that we have to staff up for and pay overtime to get people being able to handle the volume; so it is a very inefficient revenue source. It is something we can consider at some point in the future, but I don't think you'll see staff bringing it back to the Council anytime soon.

Now I am going to go through the five categories that we have developed for this program and highlight some of the key issues that we are recommending for approval. It is important to mention that these are clearly recommendations that the staff is bringing. If you have any concerns/comments that you want to bring up please let us know so that we can take them into account.

First item is 5 cent tax levy for the Red Gate Bridge project. Based on how much revenue that tax currently generates and the support that we're counting on from outside entities: federal, state, and other sources; we believe that there could be a surplus in funds once that final financing structure is put in place based on two things. One, that outside support we are counting on receiving and two the cost estimates that we currently have for the project. One of the recommendations that we are making is that any excess proceeds from that tax that are remaining after the total cost of the project is determined, after the financing structure is put in place, could be reallocated to help support the General Fund. We think that is an idea that has some merit. It allows us to move forward with that project which is clearly something that the City has been pursuing for a number of years; but also provide some financial benefit to the General Fund. So that is something we are recommending and don't anticipate to know the final answer to that for the next six months or so as we continue to move forward; but it is something we need to consider.

Second item is selling surplus property. I have provided four examples there. One, we have already had a great deal of discussion about and are moving forward with a strategy and that is Dunham Hunt House. There are other properties such as vacant lots located between 7th and 9th Avenues, south of Adams Avenue that we would be looking to dispose of. The Moody Street well site which is located over near 3rd and Moody Park, and the Langum Park is also something we would be looking to dispose of as surplus property. That Langum Park site is currently used as a park site and we would prefer to sell it to the St. Charles Park District. I have had some very preliminary discussions with Ray Ochromowicz the new director. He has indicated that they would be interested in having some discussions with the City and we will explore that opportunity before we make any other decisions as to what to do with that site.

In terms of city services and programs, we have several things here we plan to pursue. One is to create an ordinance to cite property owners for nuisance parties that they have at their residences. At the present time the police do not have the ability to do that, so we would create an ordinance and bring it to the Council for approval so that they can do that.

The next item is selling surplus equipment and vehicles by online methods. This is something we have had success with and plan to continue to try and do for the foreseeable future.

The third item is to create an ordinance that would cite and fine those who are engaged in physical altercations. In some cases where charges are not filed against either party, there is no citation issued and basically the issue is closed. What we are planning to propose and still studying with staff and legal counsel is the potential to issue citations to both of those parties and have them both pay fines based on the need of the City to respond with a police officer. The purpose here is twofold. One is to discourage that type of activity to begin with and two if they chose to engage in it there is financial consequences associated with. Chief Lamkin is working on this and we will bring that concept to the Council when he is ready.

The last item is to include third party notices in advertising in postal and electronic mail that we send out. This would be things like our utility bills or other documents that would be sent out in paper format or by email. There is a team of staff from Economic Development, IS, and Finance that are all working on that in trying to identify what the potential revenue generating possibilities are associated with that.

In terms of the category of supporting external agencies and groups there is only one item here we wanted to highlight this evening. Back in 2005 the City established a policy of exempting local government entities from the payment of application, permit, and inspection fees for their construction projects. We think it is time to revisit that; primarily as it pertains to the construction projects that have taken place over the past couple of years. These are costs of services that were provided and by not charging those entities we are simply assuming that cost and not recovering our charges for those

services. We are going to ask the Council to reconsider that policy and change that so those entities do have to pay for the costs of services that we provide to them.

Ald. Bessner: Does that have any reciprocal affect in any services that we might have to go out and work with for other local government bodies in which we may be exempt from?

Brian: Not that I am aware of. At this point we don't really have any discounted or waived fees that we get from the school district or park district. They don't allow us to use their facilities free of charge, so there wouldn't be any direct consequences associated with pursuing this suggestion.

In terms of taxes and fees, we have several items we are recommending to be taken further and taken to the next steps. There are a number of special events that occur here in St. Charles; primarily at the fairgrounds or Pheasant Run that involve retail sales such as purchases by individuals and, according to state law, those purchases are covered by sales tax and sales tax should be collected, remitted to the State of Illinois, and sent back to St. Charles. There are some things we need to do to improve that and there are steps we plan to take both in working with those entities and event sponsors to try and improve compliance in that area. As the City we don't have the ability to go in and audit or really monitor compliance; that is something that is exclusively reserve for the Illinois Department of Revenue; but if there are things we can do locally to try and encourage greater participation, we believe there could be financial benefit associated with that. So Finance and Community Development are going to be working on that initiative going forward.

Second on the list is implementing a franchise fee on water and sewer service to correspond with the fee that we currently have on electric and TV services here in St. Charles. This is an idea that is being considered as part of the comprehensive study and that will get presented at the end of the month. It was recommended that we pursue a franchise fee to basically allow the General Fund to benefit from the utility use from the public right-of-way which is the basic premise under which franchise fees are charged. It is something that is being considered. Other communities in the TriCities have this fee already and so we are looking at this and evaluating it as part of that overall rate study that will be presented at the Government Services meeting at the end of the month.

The third item is to charge a booking fee for those people who get housed in the City's jail. This is basically a user fee and it says that if you are going to stay here you are going to have pay for that and Chief Lamkin is working on that as well.

The last item on the list is to review the fee that parties are charge to rent water meters. This was something to be schedule to consider at Government Services last week, but was postponed to allow us to take another look at that and potentially add in some administration cost. We know that the fee charge to date does not recapture the costs of that so we think that needs to be increased.

Other things are to implement an additional permit fee on building permits to help support the GIS system and GIS related activities. This is something that other communities do and is a cost we incur. There is no question that development and construction activity benefit from the GIS system, so we think it appropriate that the users help to pay for the cost of that system.

The second item is a disconnection notice fee. This is a special notice that gets sent out to customers who disregard the notice on their utility bills. We do know what that cost is and we think it is fair and appropriate that customers who require the City to generate those notices and mail them out reimburse us for those costs. This is something else that the Finance Department will be working on and bringing forward to the Council for approval.

The third item is to implement a fee for equipment and personnel cost related to motor vehicle collision in the community. This will be primarily Public Safety responder costs. This is something that still requires further review by police, fire, and legal counsel; but the goal would be to help recover a reasonable cost from at-fault parties through insurance. So if there are cases where automobile insurance or other insurance can help offset the cost we incur from these incidences that is what we want to pursue. This is not a new concept. There are other entities that do this but this does require further study and we would bring forward an ordinance at the appropriate time for the Council consideration.

Final item is a commercial fee that would relate to commercial fire alarms. Currently we review those and issue a permit for those but we don't charge a fee and so that is something we would bring forward and ask the Council to authorize us to charge a fee to help cover the costs of those services.

This concludes the highlights or major items that we are recommending for approval. There is a full list provided in the packet. At this point in time we are only asking for the Committee's endorsement to move forward to the next step. There are a lot of these items that will require further authorizations in terms to changes to ordinances or new ordinances and those will be brought forward at the appropriate time after staff and legal counsel have conducted their reviews and are ready to come forward.

Chrmn. Carrignan: Is the voluntary separation moving forward? We are getting data relevant to that and how it will affect our budget?

Brian: We will have some preliminary feedback. I've received an email from HR that we have 21 employees who expressed an interest in the program. My goal going into this was to get 20, so we done a little better than that. Right now all the department directors have been asked to evaluate those positions and respond back to how they want to handle those positions going forward. We should be able to have some feedback, not by the 18th in terms of cost benefit, but certainly thereafter. At this point it is moving forward and I think very successful.

5. Additional Items

None.

6. Adjournment

Motion by Ald. Penny second by Stelat to adjourn meeting at 8:30 p.m.

Voice vote: unanimous; Nays: None. Chair. Carrignan did not vote as Chair. **Motion carried.**