

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, DECEMBER 5, 2011**

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

Members Absent:

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

1. Opening of Meeting

The meeting was convened by Chair. Martin at 7:27 p.m.

2. Omnibus Vote

Budget Revisions – September 2011 and October 2011.

Motion by Stellato, second by Monken to approve the omnibus vote as presented.

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

3. Fire Department

- a. Recommendation to approve an Ordinance Authorizing the Disposal of Surplus Property Owned by the City of St. Charles (miscellaneous tools and equipment).**

Chief Mullen: This item deals with the disposal of fire equipment that is beyond its years of service life or obsolete and recommend approval to dispose of them.

Motion by Ald. Carrignan, second by Stellato to approve an Ordinance Authorizing the Disposal of Surplus Property Owned by the City of St. Charles (miscellaneous tools and equipment).

4. City Administrator's Office

- a. Recommendation to approve a Resolution Approving a 1-Year Renewal Period (January 1 – December 31, 2012) of a License Agreement By and Between the City of St. Charles and St. Charles Arts Council.**

Brian Townsend: Earlier this year City Council approved an agreement to allow the St. Charles Art Council to occupy office space here at City Hall. That agreement is up for renewal and they have submitted a letter asking to extend for another year and if staff has no objections to this we are asking for approval of this extension for the 2012 calendar year.

Motion by Ald. Stellato, second by Monken to approve a Resolution Approving a 1-Year Renewal Period (January 1 – December 31, 2012) of a License Agreement By and Between the City of St. Charles and St. Charles Arts Council.

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

5. Public Works Department

a. Recommend approval of a Resolution authorizing the Mayor and City Clerk to execute IDOT Governmental Agreements for the proposed IL Route 64 Construction Project from 7th Avenue to Dunham Road.

Jim Bernahl: I would like to give an update on where we are at with these projects. Both the IL 64 from 7th Avenue to Dunham Road and Kautz Rd to IL 59 projects are still scheduled to be let by IDOT in January 2012 and anticipated to start construction in March 2012. As the City Council is aware the Kautz Road to IL Rt. 59 project has always been anticipated to be constructed over a two-year period, and recently staff was notified that the 7th Avenue to Dunham project is now projected to be built over a two-year construction period. IDOT has had some very real concerns about being able to fully complete the utility and roadway work for this section of the project so they have anticipated it being completed by the summer of 2013. The good news is that staff has worked with IDOT staff and they have insured the City that all four lanes of traffic will be open between the winter break of construction of 2012-13.

There are two agreements in your packet. One is an agreement for IL Route 64 construction project from 7th Avenue to Dunham Road for a budgeted amount of \$2,423,200 that includes all exhibits for the Plan Approval, Funding Resolution, and modified Traffic Signal Maintenance list.

Ald. Carrignan: Wrt the railroad tracks, I've noticed that they have been paved over. Have they officially been vacated and are we going to be able to pave over them once we finish the project?

Jim: The railroad tracks, themselves, have not been 100% vacated but there has been concurrence between IDOT and Union Pacific Railroad to remove the section on Rt. 64 specifically when the project is completed.

Motion by Ald. Carrignan, second by Stellato to approve a Resolution authorizing the Mayor and City Clerk to execute IDOT Governmental Agreements for the proposed IL Route 64 Construction Project from 7th Avenue to Dunham Road.

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

- b. Recommend approval of a Resolution authorizing the Mayor and City Clerk to execute IDOT Governmental Agreements for the proposed IL Route 64 Construction Project from Kirk Road to IL Route 59.**

Jim Bernahl: This is second agreement for the proposed construction for IL Route 64 construction project from Kirk Road to IL Route 59 for a budgeted amount of \$1,128,380.

Motion by Ald. Carrigan, second by Stellato to approve a Resolution authorizing the Mayor and City Clerk to execute IDOT Governmental Agreements for the proposed IL Route 64 Construction Project from 7th Avenue to Dunham Road.

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

6. Finance Department

- a. Recommend approval to accept a quote from Fox Valley Fire to provide alarm monitoring and testing services for City facilities.**

Chris Minick: Enclosed is a request for approval for alarm monitoring and testing services from Fox Valley Fire & Safety in Elgin. We did go out and solicited quotes earlier this year from seven vendors to provide alarm monitoring and testing services. Over the years as we have added alarms to some of our facilities we have found we have overlapping contract terms for several individual facilities. We have started a process to pull all these under one umbrella and get one consistent contract so we could have a better way to go out for an RFP and have all of our alarm monitoring and testing services on one contract. Of the seven firms we solicited, we received two responses, and Fox Valley Fire was the lowest quote in the amount of \$15,247 and we recommend approval of this.

Motion by Ald. Stellato, second by Turner to approve quote from Fox Valley Fire to provide alarm monitoring and testing services for City facilities.

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

- b. Recommendation to approve the Fiscal Year 2010/2011 Comprehensive Annual Financial Report, Management Letter, and Single Audit Report. (attachments under separate cover)**

Chris Minick: Previously we had distributed the 2010/11 Comprehensive Annual Financial Report (CAFR), Management letter, and Single Audit Report. The CAFR is available on the City's website under the Finance Department. Here are some highlights.

- In the Introductory section on page iii, the 2010 Comprehensive Annual Financial Report was submitted and did receive a Certificate of Achievement for Excellence in Financial Reporting and that program is administered by the National Government

Finance Office Association. The City has a long standing tradition of receiving this certificate of achievement and we have submitted the 2011 document to this program and are hopeful that we'll receive this certification.

- Under the Financial section, the Independent Auditor's Report, this is what we actually gave Sikich to do to provide an independent audit of the City's financial statement. We did receive an unqualified opinion on the Auditor's report and that's the best opinion you can receive and it means that our financial statements are fairly presented in all materials and statements in accordance with the fully accepted accounting principles.
- Page 3 of the Management's Discussion and Analysis is a really good summation of the City's accounting principles and practices and financial results for 2011. I highly recommend that not only City Council, but members of the public take a look at that.
- A couple of financial highlights: on page 20 in the General Fund, we do have approximately \$16.235M of unreserved, undesignated fund balance, what we commonly referred to as our "Reserve Account." That represents 40% of our annual expenditures. As you will recall we do have an internal policy that we maintain this level be at least 25%. So we are well within our guidelines for FY 2011.
- On page 22 in the General Fund column we have \$39.454M in revenues and just a little under \$40M in expenditures and operator transfers out. Historically the high level of our expenditures occurred in FY 2008 and the amount of expenditures that we had in that fiscal year was \$2.47M. So we are still roughly \$2.47M below our expenditure level of 2008 and that goes to the efforts that the City has undertaken the last two/three fiscal years to reduce expenses in actuals to the revenue streams that we are experiencing and live within our means and revenue stream within the City.
- On page 25 lists the assets for the utility accounts, but we did experience deficits within the three operating utilities for the fiscal year. Towards the end of April, just as the fiscal year was wrapping up, we adopted the Rate Study to make some changes to the rate structure of the utility accounts. It didn't have an impact to FY 2011. Those were all effective in this current fiscal year, but we do anticipate that they will have some impact, it is a multi-year approach. We may not see the incomes across the board this year, but we are on that path in making the changes to the rate structure and return the utilities to a solid state based on the operating capital expenditures anticipated. We will get the full report on the rate study and the impact as we move forward with the budget process over the next couple of the months.

The Management Letter looks at our internal control structure and the auditors look for significant deficiencies in material weaknesses in our control structure. I am happy to report that they found none. They had a couple of minor suggestions of improvements that they noted in the letter.

The Single Audit Report the auditors go through and look at how the City accounts for and administers grant funds that we receive both from the Federal government and the State of Illinois. They are looking for significant findings or questionable costs related to those grant programs and legal restrictions that we have on those funds. Again there were no questionable costs or significant findings based on the Single Audit Report.

I do recommend the motion to accept the Comprehensive Annual Financial Report, Management Letter, and Single Audit Report for FY2011.

Ald. Carrigan: The City is known by the services provided and the big three – Police, Fire and Public Works are faced forward to the customer, but the job that your department did and also being recognized as supplying solid financial information and running the fiscal side of our business is appreciated and you do a great job.

Ald. Rogina: On page 20 what would we use the \$2.796M advanced funds for?

Chris: The General Fund has loaned some major advances to some of the TIF funds as we have gone along or some of the debt services related to the TIF funds. That number represents the amount of those advances out to the TIF funds of the City. Under the accepted general accounting principles we do reserve fund balances for that because the fund balance, the amount of those advances are not available to expend currently on our operations; so we need to set that aside as a reserved fund balance. When we talk about the reserves of the General Fund, we only talk about the \$16.234M number. The unreserved, undesignated fund balance, theoretically, of the amount we could expend if we were able to liquidate all of our assets to meet those obligations, that is what we refer to.

Motion by Ald. Rogina, second by Carrigan to approve the Fiscal Year 2010/2011 Comprehensive Annual Financial Report, Management Letter, and Single Audit Report.

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

c. Recommendation to approve an Ordinance for the Annual Tax Levy.

Chris Minick: Seeking a motion to recommend approval of the Tax Levy ordinances, items C through K. The ordinances reflect the amounts that were discussed at the Public Hearing process earlier tonight.

Ald. Stellato: Can we vote for them with one motion at the committee level?

Atty. Good: Yes, if all of you agree that it can be done, you can do it all in one vote.

d. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2011 in and for the City of St. Charles Special Service Area Number 1A (Central Business District).

e. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2011 in and for the City of St. Charles Special Service Area Number 1B (Downtown Revitalization).

f. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2011 in and for the City of St. Charles Special Service Area Number 5 (Central Manufacturing District).

- g. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2011 in and for the City of St. Charles Special Service Area Number 6 (Cambridge East).**
- h. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2011 in and for the City of St. Charles Special Service Area Number 7 (Central Manufacturing District).**
- i. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2011 in and for the City of St. Charles Special Service Area Number 10 (Royal Fox I).**
- j. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2011 in and for the City of St. Charles Special Service Area Number 13 (Red Gate).**
- k. Recommendation to approve an Ordinance for the Levy and Assessment of Taxes for the Year 2011 in and for the City of St. Charles Special Service Area Number 57 (Legacy Business Center).**

Motion by Ald. Stellato, second Carrigan to approve items 6c through 6k Tax Levy Ordinances.

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

7. Additional Items - None

8. Adjournment

Motion by Carrigan second by Stellato to adjourn meeting at 7:43 p.m.

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

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