

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, JUNE 18, 2012**

1. Opening of Meeting

The meeting was convened by Chair. Martin at 7:42 p.m.

2. Roll Call

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

Members Absent: Ald. Carrignan

Others Present: Brian Townsend, Chris Aiston, Chris Minick, Chief Mullen, Peggy Forster, Kathy Livernois, and Chief Lamkin

3. Omnibus Vote

Budget Transfer Listing for April 2012

Budget Transfer Listing for May 2012

Transfer Resolutions (29)

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

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

4. Finance Department

- a. **Recommend approval of an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles (miscellaneous vehicles).**
- b. **Recommend approval of an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles (miscellaneous items).**
- c. **Recommend waiving the bid procedure for ordering gasoline and diesel fuel per order on an as needed basis.**
- d. **Recommend waiving the bid procedure for 2012/13 switchgear and accept Federal Pacific's pricing for the three (3) types of switchgear we purchase.**

Mike Shortall: I have four items for your authorization tonight. First item we are seeking authorization to sell miscellaneous vehicles via on-line auction. One vehicle is a police confiscated Ford Mustang convertible GT.

Item No. 2 we are seeking authorization to sell personal property via on-line auction.

No. 3 we are seeking authorization to waive the bid procedure to purchase gasoline and diesel fuel for the City for the current fiscal year by spot buying same day purchases as we have in the past years.

No. 4 we are seeking authorization to waive the bid procedure to purchase Federal Pacific switchgear for the Electric Department for the current fiscal year. The Electric Department feels that Federal Pacific offers good quality and reliability vs. costs.

Chrmn. Martin: Let's take each item separate.

Motion by Ald. Stellato second by Rogina to recommend approval of an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles (miscellaneous vehicles).

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

Motion by Ald. Monken second by Stellato to recommend approval of an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles (miscellaneous items).

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

Motion by Ald. Rogina second by Stellato to recommend waiving the bid procedure for ordering gasoline and diesel fuel per order on an as needed basis.

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

Motion by Ald. Monken second by Stellato to recommend waiving the bid procedure for 2012/13 switchgear and accept Federal Pacific's pricing for the three (3) types of switchgear we purchase.

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

5. City Administrator's Office

a. Recommend approval of the funding request from the Downtown St. Charles Partnership in the amount of \$275,000.

Brian Townsend: Tonight is the funding presentation and they are requesting funding in the amount \$275K for the fiscal year. Two of those payments in the amount of \$40K have already been authorized through the extension that this Council approved about a month ago, the remaining balance will be approximately \$235K. The authorization that the Council will be asked to engaged in is really three parts: 1) approval of the funding amount, 2) service agreement that specifies what services the Partnership would provide in exchange for the funding, and 3) this component is new this year, a license agreement by the Partnership to occupy office space here at City Hall. That is something that is planned to take place at the end of July. There is a space here in the building that the City does not utilize because it is not handicap accessible, so it's not really suitable for city offices, but the Partnership has expressed an interest in that and we are in the process right now of drafting a license agreement.

Lynn Schwartz, 213 Walnut Street: I would like to thank you for the opportunity to present to you information about the Downtown St. Charles Partnership in consideration for our funding for FY 2012 and start out with some of our recent accomplishments

I am happy to report that the Downtown St. Charles Partnership's Website Redesign is complete and has been launched. Development of this site will continue, as we seek ways to best use this tool to communicate with downtown visitors, business and property owners, and investors. One feature of the website is a link to the Downtown St. Charles Partnership Facebook page, which was launched in January of this year. There is also a link to our YouTube Channel, featuring our new video highlighting Downtown St. Charles as a destination for shopping, dining, recreation and entertainment

In 2011, we modified our business education format and call it the Downtown St. Charles Business Exchange and this creates educational opportunities as well as opportunities for businesses to connect and share best practices. At our most recent Business Exchange we introduced the Downtown St. Charles Partnership's new Investor Benefit structure. This defines the support and services that the DSCP provides for our downtown stakeholders, as well as how we recognize those businesses and individuals that support our mission.

The Bike Map was updated and replenished at four points along the bicycle path downtown. We are looking forward to the first historical marker being installed this summer in front of the Municipal Building. The DSCP has done several walkabouts in collaboration with the Public Works Department which have been very successful. With each Walk About, the list of needed repairs gets smaller, thanks to the excellent follow-through of Public Works.

In terms of our events, Holiday Homecoming saw some changes in 2011 with the move of Lighting of the Lights to the 1st Street Plaza.

- Lighting of the Lights – This change was made to create opportunities for the nearby businesses. Estimated attendance was over 1,000 people.
- Free Horse-Drawn Sleigh Rides
- Visits at Santa House
- Free Holiday Movies at the Arcada Theatre
- Electric Christmas Parade

The 14th Annual St. Charles Fine Art Show took place downtown on Memorial Day weekend. A new component to the show this year was the Historic Trolley Tours. These free guided tours provided a history of downtown St. Charles. Riders were able to get off and on the trolley at any of five stops along the route in order to further explore downtown. This was a huge hit among attendees. In case you missed the show, we invite you to take a look at some of the highlights for yourself. (Show video).

Last week, we welcomed Cinda Baxter, founder of The 3/50 Project, to the Arcada Theatre. This educational program was a joint effort between the Downtown St. Charles Partnership, the City of St. Charles, the St. Charles Chamber of Commerce and Greater St. Charles Convention & Visitors Bureau. It provided practical solutions for businesses on how we can educate consumers on how important the message of supporting local, independently owned businesses as a way to strengthen the local economy.

I am pleased to announce that the Downtown St. Charles Partnership has named Scott Piner as our new Marketing and Development Manager, effective June 25. With Scott on board, the DSCP will be fully staffed and in a position to further develop and roll out additional initiatives.

As the world around us changes and the needs of our constituents shift, we must reevaluate and refocus our efforts so that we can ensure we make the best use of our resources and the most impact for our stakeholders. We have evaluated the needs of our downtown business and property owners. We are continuing to work with the City to assess where we can support and complement each other's efforts. We will continue to work with our committees to focus our programs and services to best address the above needs. We propose that, for the remainder of 2012 and beyond, our work will fall into four main areas of focus.

Marketing and Promotions

The DSCP will work in conjunction with the city's Economic Development department to create an advertising campaign aimed at marketing downtown St. Charles as a destination for shopping, dining, entertainment and recreation. Our marketing and advertising will continue to target the western suburbs, but we will use data from downtown business owners and the City to assess which markets will best expand our reach. We will work with the City, Chamber and CVB to develop a promotion strategy which encourages residents to support local business, based on knowledge and strategies learned during the presentation by Cinda Baxter.

Business Development

The DSCP will support the City's Economic Development department in providing resources to aid in the development of new and existing businesses in downtown St. Charles. I, along with my staff, will conduct regular visits with downtown businesses as a way to create a network of support for owners. We can better identify any training or support needs that exist. We will assemble a Mentoring Team for downtown business and property owners, drawing on current committee members and volunteers with specific areas of expertise. As needs are identified, referrals can be made to an appropriate mentor to assist in areas such as: Finance, Merchandising, Marketing, Social Media, and Cross-Promotions. We will support the Storefront Development Program, providing resources for storefront improvements and window signs for vacant storefronts.

Business Education

The DSCP will provide relevant education to downtown business owners through a variety of vehicles, such as: publications targeted to independently owned businesses; seminars and training workshops; and ideas on how to leverage foot traffic created by events to provide maximum exposure for their business. We will provide small group and/or individual training to educate and support businesses in the areas like: Social Media, writing Press Releases, Branding, creating print pieces for advertising, and other areas identified through our site visits.

Downtown Events

The Downtown St. Charles Partnership will be the first point of communication in regards to all events occurring within the downtown district. We will institute a process whereby new events are put through a screening process to determine the merits of having the event downtown, as well as weighing both positive economic impact and potential business and community disruptions. Based on the above consideration, the DSCP will make recommendations to City Council about the merits of supporting the proposed events. Our organization will continue to orchestrate the annual Fine Art Show, Art Around the Corner, and Holiday Homecoming. In 2012, we will add a Jazz Weekend to our list of existing events, and will continue to look for opportunities to expand our events that support our businesses as well as appeal to varied audiences. We will support our business community during events to create minimal disruption to normal business, as well as maximize opportunities created by the additional foot traffic during the event. The DSCP will continue to coordinate music on the First Street Plaza, ensuring there is not a conflict with other events or activities, such as performances at the Steel Beam Theatre.

At this time, I will ask Chris Woelffer, our Treasurer, to present our budget.

Chris Woelffer, 2001 King Edward Avenue, St. Charles: When this budget was developed, it was developed with the sole mind of supporting the four areas that Lynn just outlined: Marketing Promotions, Business Development, Business Education, and Events. The request today is for the SSA to supply \$275K and as Brian has mentioned \$40K has already been distributed and previously approved. The total budget is \$390K,

so the additional funds will be coming from membership and from the success from the different events that the Partnership plans. In going through the budget, as treasurer, I do support this budget and, in review, it supports the four main areas.

Ald. Stellato: I would like to say that Ald, Martin, Carrignan, and myself have had the pleasure over the last six months working together; it has been a very nice group to work with. This group has been very approachable and easy to work with; so if anybody here on the Council has any questions at all, I am sure they will not mind meeting with you individually and talking with you and explaining their mission. One of the goals from the very first time we met was for them to identify the four areas to help us with our elevator speeches when people throughout the community ask us what the partnership does and why this amount of money goes to them. I personally feel very comfortable with that today and at some point if any of you want to be more comfortable, once again feel free to contact them and they will help you with that. Once again I fully support what they have done and how far we have come and thank everyone on the board and the staff for their help.

Motion by Ald. Stellato second by Monken to recommend approval of the funding request from the Downtown St. Charles Partnership in the amount of \$275,000.

Chrmn. Martin: When we first convene the meeting that the committee had with the partnership, I was a little concern about the future of the Partnership, I've been a member of it since the very beginning, have watched it grow, and watched it run through some challenges. We were at a particularly challenging point several months ago when this reorganization started and having participated in it and watched the dynamics of this organization change from a gloomy outlook – I see a great future in the partnership and am glad that we finally arrived at something that will sustain us for the future. Congratulations!

Ald. Lewis: Is the \$275K the entire amount that is collected from the SSA.

Brian: Yes, we will draft the service agreement in such a way that they will get no more than 100% of the SSA funds and we estimated at this point that would be \$275K.

Roll Call: Ayes: Stellato, Monken, Payleitner, Turner, Rogina, Krieger, Lewis, Nays: None; Abstain: Bessner; Absent: Carrignan. Chair. Martin did not vote as Chair. Motion carried.

b. Update regarding St. Charles Sustainability Initiative – Information Only

Brian Townsend: I'm here to give members of the committee an update where we are wrt this program. This started back in March of 2010 when the City was undergoing some challenging financial times. I am pleased to report that after about two years of work on this that we are on firm financial ground. A good part of that foundation is

because of this program. Because of the ideas that resulted from this initiative and the dedicated implementation of those ideas from department directors and staff that work for them.

To refresh everyone's memory regarding the purpose of this, it was really to go out there and engage all city stakeholders, employees, residents, business owners, and nonprofit groups in an effort to identify ideas that would help us to balance the budget. We were expecting some very significant deficits at the time. We were really looking for ideas in these four main categories: increased deficiencies, under-utilize resources, services that we could discontinue, or new revenues we could implement to help balance our budget.

What were the results of that? We received over 130 ideas/suggestions that were submitted by a very diverse group. Those ideas were evaluated by city departments and then we had a city-wide team of employees that I formed for the purposes of reviewing departmental evaluations and providing additional feedback. Then we presented some recommendations to the City Council and we divided the ideas into five categories: Capital Projects, City Services and Programs, Employee Compensation and Benefits, Support for External Agencies and Groups, and Taxes and Fees.

Where are we today? There were 54 ideas that were selected for implementation and those were endorsed by the City Council by presentations in February and April of 2011. Thirty-four of those ideas have been implemented or in the process of being implemented at this point. There are 13 that are still under considerations, things that maybe we haven't seen any results from yet, but plan to implement either later this year or next year. There were seven ideas, which after further discussion, have been eliminated for further consideration.

There is no question in my mind that our implementation to date demonstrates a tremendous success; not only for me and the staff, but for the City as a whole. The financial benefit of the ideas that have been implemented are in excess of \$3M and I'll quantify some of those in a moment; and we expect the future financial benefit to grow as implementation continues into future fiscal years.

The top four ideas, and when I talk about a \$3M benefit, you'll see these represent about \$2.8M of that amount. The Voluntary Separation Incentive Program that we offered to city employees allowed us to shrink our workforce through attrition. The estimated benefit of that is about \$900K. We've made changes to our employee health insurance program that has generated about \$400K in savings over what we originally projected. We did reduce the front-line engine company in the Fire Department. That was primarily done in response with the agreement of the Fire Protection District and the revenue we lost from that contract, and we also reduced the vehicle fleet and the savings that were generated there either through the sale of the vehicle, reduce maintenance cost, and also reduction of expenses related to future replacement. These four ideas really make up the lion share of what we've saved.

In the Capital Projects we have three ideas with the biggest one being the Fleet. In terms of City Services and Programs, the big one here is the reduction of the front-line engine company in the Fire Department at about three quarters of a million dollars. We've also changed our City Newsletter to electronic form and that was the biggest surprise. I thought we would get a lot more outcry from the community of the discontinuation of the printed newsletter, but the community seems to have really taken to that and getting the monthly updates by email has really been an effective means of communication – not just with residents but businesses can sign up, there may be people who lived or worked in St. Charles for many years who want to stay in touch with what is going on – they can get that information as well.

Employee Compensation & Benefits – the Voluntary Separation Incentive Program went well. That was a program where employees could get severance, health insurance, or combination of both in order to resign their positions and move on. We had 17 employees who took advantage of that program and through attrition were able to eliminate those positions, change them to part time, hire full time employees at lower salaries; so that generated quite a bit of financial benefit. We are charging employees more for health insurance. We implemented an Unpaid Time Off Program so employees can take time off with the approval of their department director. We also reduce the scope of our supervisory training program that we do with Elgin and Batavia and that was done in conjunction with them to try and scale back the program rather than eliminate it which was originally suggested. We eliminated our Tuition Reimbursement Program and we also had a “Way To Be” Program which was an employee recognition program. We still have that but we eliminated the monetary awards and that saved us \$10K.

In terms of External Agencies and Groups we have suspended the Corridor Improvement Grant Program and reduced city memberships in regional/national associations. We haven't reduce the number of parades held downtown but have implemented cost savings measures for those parades, primarily moving some of the parades off of Main Street onto Illinois which allows us to reduce the amount of police and PW support that is needed for those.

Taxes and Fees – everything on this chart was implemented but can't say there were huge dollars generated but in some cases they were not put in place to necessary generate revenue – they were put in place to change behavior and that has been effective for Numbers 1 and 4 on this slide.

Ideas that are still being pursued (refer to two slides) – the biggest potential opportunity here is the funds from the Red Gate Bridge tax levy. As you know Mark Koenen and his staff have done a very admirable job of seeking grants and funding from outside entities and that has resulted in city taxpayers not having to fund a very significant portion of that cost. So we'll have some proceeds available from that tax to dedicate to other projects or services which we'll talk about in the months ahead. Other things on the list are related to personnel costs, looking at the city's compensation, philosophy, and our policy works. We'll talk more about that in the next couple of months. We also like to be able to use

more civilian employees rather than sworn where it's feasible to do so and both of the chiefs look at that as vacancies come up in their departments.

It terms of items that are no longer being pursued – pursuant direction from the Council, we are not looking at selling any surplus property at this point. There were several sites that were originally identified but staff has discontinued their pursuit of that. We looked at offering a credit for employees to opt out of participating in city health insurance coverage but there wasn't any financial benefit in doing so. The franchise fee on water and sewer services is no longer being pursued. One of the suggestions were to implement a fee for cost related to motor vehicle collisions on terms of police and fire services and also the permit fee for commercial fire alarms is not being pursued as well.

In summary, this was a very collaborate and open approach for many months of going through this process and gathering the ideas. The people we talked with let us know how they felt about city services and programs. We also heard they appreciated the fact that we kept them updated on the process as things moved along. After this presentation is concluded, we will be reaching out to those folks again to let them know where we are in this process. Our implementation has demonstrated success. There is no question that we would not be where we are today wrt the City budget without this program. The \$3M that we generated has certainly contributed to the balance budget in the very strong footing that we are on in terms of the General Fund; and to reiterate as we move forward with implementation of additional ideas, we expect that amount to continue to grow and just one example of that is through the VSIP. As those positions continue to stay vacant we will continue to generate savings from that in future fiscal years.

Ald. Bessner: You mentioned \$3M to date. Looking forward to the next few years is that an amount that is still out there? Where are we at percentage wise? Are we apt to lose those larger amounts or are those types of amounts still available?

Brian: There are some one-time costs in that \$3M amount, but there are a very significant amount of savings wrt the VSIP that we'll continue to realize going forward. The same said with the elimination of that front line engine company. That is money we'll continue to save as opposed to what we projected to have to cost us going forward. The same can be said for the vehicles that have been eliminated from the fleet. We no longer have the cost to replace those and we won't going forward. Even some of the smaller revenue items, some of the things we've implemented like the disconnection notice fee, the booking fee, those things are going to continue to generate revenue going forward and hopefully grow as time moves on. It's hard to say at this point what the exact savings are between one-time costs or one-time savings and ongoing, but I have no doubt we'll continue to see financial benefits as this program moves forward.

Ald. Monken: Just want to say congratulations for a job well done in taking that whole approach with the staff and community. It really shows a community team effort.

6. Additional Items
None.

7. Adjournment

Motion by Stellato second by Monkento adjourn meeting at 8:15 p.m.

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

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