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MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, AUGUST 20, 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, Carrignan, Payleitner, Turner, Rogina, Krieger, Bessner, and Lewis

Members Absent:

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

3. Omnibus Vote
Budget Revisions – July 2012

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

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

4. Fire Department
a. Recommendation to award the bid for the purchase of two 2012 Ford Escapes to Zimmerman Ford in the amount of $47,134.

Chief Mullen: The item before you has to do with replacement of some Fire Department staff vehicles. We're replacing three that are very long in the tooth and replacing them with two. The models we are doing, we tacked on the same specifications as the Police Department had used. Zimmerman Ford came in with the low bid for two Ford Escape vehicles.

Motion by Ald. Carrignan, second by Stellato to approve a recommendation to award the bid for the purchase of two 2012 Ford Escapes to Zimmerman Ford in the amount of $47,134.

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

5. Police Department

a. Recommendation to approve a Class E Liquor License for Charlie's Center for the Arts Event in Charlestowne Mall.

Chief Lamkin: We originally brought this item forward because there was going to be a request for a Class E liquor license, but because they have not been able to get a partner B or C license in the City, they've elected to withdraw their request, so there is no need for any action tonight. Sue McDowell is here if you want to ask her anything about the event that is still going to be scheduled, but there won't be a liquor part of it.

Chrmn. Martin: Sue, do you have any comments?

Sue McDowell, 3N231 E Mary Lane, St. Charles: Comments are that this is part of an event that will run for 5 weeks that we thought would add to the music at the Jazz Café to have beer and wine, but as a whole volunteer organization, we knew that it was too much for us to do, so we talked to several local establishments to partner with us, but it just wasn't a good match. They couldn't staff it. It's a lot of work to have a temporary location out there. But we are very excited about the event which is September 22 through October 27. We have a lot of different arts going on at the Charlestowne Mall.

Chrmn. Martin: Request has been withdrawn.

6. Finance Department

a. Recommendation to approve an Ordinance Authorizing the Issue of General Obligation Corporate Purpose Bonds and General Obligation Refunding Bonds of the City of St. Charles, Series 2012.

Chris Minick: In your packet tonight is the ordinance that will authorize the general obligation bond, series 2012. This particular bond issue will be split into three series. The 2012A Bonds will provide funding and financing for the Red Gate Road Bridge project and the Emerald Ash Borer Mitigation project. Series 2012B and 2012C series bonds will provide savings on interest costs in the amount of approximately $1.2M on two of the City's current outstanding bond series. The savings will be achieved by lowering the interest rate and the borrowing cost on this particular bond.

Series 2012A bonds in the amount of approximately $6.6M will be issued for completion of the Red Gate Road Bridge project. These bonds will have a 20-year period to be paid back from three main revenue sources. The existing 5 cent per $100 EAV tax levy that is currently on the tax bills, the Electric fund will provide a portion of the debt service payments, and the Water fund will provide also a small portion of the principle and interest payments.

If you will recall the reason that the Electric and Water funds are also contributing to the principle and interest payments, there are improvements to the electric and water utilities that are occurring as part of the construction of the bridge. And as is required from good

business practices and general accounting principles, as well, the City's policies will make those principle and interest payments from the utility revenue stream with benefits from the improvements. So that's why electric and water are contributing. We do estimate that the interest rate on this portion of the bond issue will aggregate to approximately a 2.9% based on today's municipal market and that 2.9% will be the blended rate over the 20 year immunization period.

Additionally the Series 2012A bonds authorize $2.7M for the mitigation of the Emerald Ash Borer project, the removal and replacement of trees that have been infested by the EAB. This was discussed with the City Council in late spring/early summer this year and the decision was made to issue bonds so that we could get that project in and completed as quickly as possible. This portion of the bond issue will be paid back over a 10-year time frame from the General Fund budget and the debt service payments are approximately $330K annually based on current municipal market conditions here in Illinois. We do estimate that interest rate will be approximately 2% over that 10-year period.

As is our standard and practice whenever we go out to the market to look for funding for projects, we look and see if there are any refunding or refinancing candidates out of our existing bond issues so that we can lower our borrowing costs on anything we already have outstanding. In fact including the anticipated savings from the 2012 General Obligation Bond Series, we estimate that we will have a grand total of savings in excess of $2.5M through 2025 out of the refinancing activities that we've undertaken since 2009. Again the savings are provided by lowering the interest rate on the outstanding bonds.

The 2012 bond series is no exception. We do have a couple of very attractive refinancing candidates. The B Series will refund our 2004/2005A tax exempt bonds. These bonds were utilized to require the Century Station facility, renovate the Police Department building, and also to construct the Public Works facility. These cash flow savings are estimated to be in excess of $1.5M based on today's municipal debt market and this savings will run from now through 2025. These bonds are paid from the general revenue stream of the City, so any savings that we do accumulate would be available immediately for general corporate purposes of the City. We do anticipate that this rate will be about 2.5% through 2025.

We also have the Series 2012C bonds and these were refund bonds that were issued in 2005. This is a taxable bond issue (2005B bonds were taxable) so it needs to be separate for our accounting purposes. We anticipate savings of approximately $40K through 2016. These bonds are almost retired so there is not a great amount of savings but as long as we are doing it anyways, we might as well pick up the $40K. We do anticipate this rate will be approximately 1.5% for the 4-year period.

If we do adopt the ordinance on September 4, 2012 we will price and lock in the terms of the bond issues in mid to late September and then close sometime thereafter, most likely

early October. The ordinance was prepared by Chapman & Cutler, the City's bond counsels. This is a standard bond issue ordinance. There are no significantly different terms than any of the other borrowings we have taken. The ordinance also gives the Mayor, City Treasurer, and city staff the authority to sign the documents and move ahead with the bond issue and do everything we need to do to complete that bond issue. Staff does recommend approval of the ordinance and just to summarize again we will be providing funding for the Red Gate Bridge, the Emerald Ash Borer Mitigation projects and we will allow for some significant budget savings by refinancing the prior bond issues. Including the savings that we anticipated on the 2012 General Obligation Bonds series, our accumulative interest costs savings through refinancing activities since 2009 would be in excess of $2.5M through 2025.

Ald. Carrignan: The 2012B bonds are tax exempt and 2012C are taxable?

Chris: Yes.

Ald. Rogina: This refinancing at lower rates is a function of the good credit of the City, pure and simple.

Chris: That is a significant factor. Also playing a part is the general economic conditions and lower interest rates in the municipal market; however, that said, if the City was a poor credit risk our rate would be much higher and we would not be able to achieve certainly the types of savings we've seen.

Motion by Ald. Carrignan, second by Rogina to approve an Ordinance Authorizing the Issue of General Obligation Corporate Purpose Bonds and General Obligation Refunding Bonds of the City of St. Charles, Series 2012.

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

7. Mayor's Office

a. Discussion regarding current liquor license hours of operation.

Mayor DeWitte: There are a couple of items on the agenda this evening. The first is an issue I asked to be considered by this committee. I'll start off by suggesting there were a number of incidents that occurred the weekend of August 3 that grab my attention off of the weekly police reports I receive. On that particular weekend between Friday and Saturday night there were separate reports written for fights in progress that the Police Department had to respond to and our officers actually got involved in separating. In addition there were five service calls for liked incidences that no reports were written because by the time our officers showed up things had settled down and there was no one left to face the music. What caught my attention in reading through all these police reports, that all you got copies as well, that in the responding officers' opinions virtually all of these participants appears to be intoxicated which immediately brings up the point

of over serving. This apparently continues to be happening in some of our downtown establishments. I say some because I do know there are some establishments that do a great job of monitoring the service of alcohol in their establishments. But like many things a few bad apples spoil the whole bushel. Back in May I had a meeting in this room with all of our B&C liquor license holders in the City of St. Charles. Aldermen Lewis and Payleitner participated in this discussion and I think they will concur that one of the key issues that Chief Lamkin and I both stressed in that discussion with those license holders was the issue of over service. Every liquor license establishment has the responsibility to monitor the consumption of alcohol in their establishments; and if they could not do a better job of that, the City would be happy to step in and take care of that issue for them. It could not of been made any clearer on what the City's position was on this issue and given the occurrence of this issue on August 3, again it appears they have not heeded our requests.

I believe the City has a responsibility to everyone who chooses to frequent our entertainment establishments in the downtown business district to maintain a safe and friendly environment so that everyone who decides to enjoy themselves can do that. I believe this environment is threatened if our liquor license establishments continue to be irresponsible and inattentive in the service of alcohol to their consumers and customers. Tonight I am coming to you to request a reduction in operating hours for all B&C liquor license establishments in the City of St. Charles. That it be reduced to 1:00 a.m. closing time from Sunday through Saturday – seven nights a week. If our establishments are unable to monitor alcohol consumption in our business/entertainment district, we will reduce the number of hours they are to serve alcohol and we believe that will be a positive in reducing the practice of over serving their customers. Any questions? Chief Lamkin is here too if anyone has questions for him.

Ald. Krieger: This is a fabulous idea.

Ald. Bessner: Was there any consistency in the calls that have happen – meaning in one establishment vs. just a broad number across the downtown area?

Chief Lamkin: Lots of time what we have happen is these fights happen out on the streets afterwards. Most of the time these establishments start to notice they are not in the best condition and will push them out of the door. By the time we get there we are not necessarily always able to determine where their last stop was. There are probably a couple of bars that are a little less tight on their restrictions then others, but often times its already been pushed out into the streets.

Ald. Lewis: So the hours would be Monday through Sunday 1:00 a.m. and now it's 1:00 a.m. during the week?

Mayor DeWitte: It's currently 2:00 a.m. seven days a week. Previous to the 2:00 a.m. hour being established, it was 1:00 a.m. from Sunday through Thursday and then 2:00

a.m. Friday and Saturday where they were open until 2:00 a.m. I am requesting seven nights a week be limited to 1:00 a.m. as part of this process.

Ald. Rogina: I have a procedural question. If we were to approve this tonight, when would this come before the Council to actually approve it as an ordinance?

Mayor DeWitte: At the next Council meeting.

Atty. Good: I have no reason to believe that it can't be any later than September 4.

Ald. Rogina: I ask that only because given the time period it would give a fair chance to any licensee to come before us to make any rebuttal they may want to make responding the ordinance. Having said that, I join Ald. Krieger, I support this.

Mayor DeWitte: Thank you, as an aside from that same license meeting held in this room back in May, one of the last questions I asked the entire group was how many establishments see a benefit of the 2:00 a.m. closing time. I saw one hand get raised that evening. I know there are a number of establishments who don't even take advantage of the 2:00 a.m. hour. There are establishments that are closed by midnight on some nights of the week. They can close whenever they want, but this particular situation, if you go through the police reports and you see the times of some of these events or incidents occurring, there seems to be a predominance of calls that are later and later into the morning that I opined are contributed to alcohol being consumed later into the evening.

Chrmn. Martin: Direct a motion to entertain staff to draw up an ordinance.

Motion by Ald. Krieger, second by Rogina to draw up the ordinance to change the business hours for Class B and Class C license holders to 1:00 a.m. seven days a week.

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

b. Consideration of request from Mr. Rich Simpson to amend closing hours for Alibi Bar and Grill Restaurant located at 12 N 3rd Street.

Mayor DeWitte: This item was continued from the City Council meeting two weeks ago regarding the Alibi Bar & Grill.

Chrmn. Martin: Is this the Alibi Bar & Grill or the Alibi Restaurant? I believe we mad an issue of that once before.

Mayor DeWitte: Excuse me I mis-spoke and didn't read it correctly off the agenda. It says Alibi Bar & Grill Restaurant.

Mr. Simpson at the council meeting two weeks ago had requested consideration of this committee to extend his hours of operation. It was continued to this meeting tonight. Mr. Simpson is here this evening and I invite him to come forward and address the Council to refresh your memory of what his issue might be.

Ald. Krieger: One question, his current closing hours are midnight?

Mayor DeWitte: His current closings hours are 11:00 p.m. Sunday through Thursday and midnight Friday and Saturday.

Rich Simpson, 236 E. Gillette, Elmhurst, IL 60126: Two weeks ago I asked to extend my hours. Many of my patrons who come into my place and due to the fact that I closed early; I lose many of my customers. I have constant complaints. I told you that I truly believe that I am changing the dynamics to the downtown area just by bringing an older crowd into the area. My banquets are suffering. I try to book banquets and people are not booking them because I have to close early. The hours are just suffering me. I'm not on an even playing field in the area and I think I need to get there in order to survive.

Ald. Turner: I'm going to vote for approval on this. I think it's really unfair that one person has one set hours and others establishments around him and further out cater to your crowd also have later closing hours. So I will vote for approval of this until 1:00 a.m.

Ald. Payleitner: Previous when Mr. Simpson was before us he did agree to change his name, correct? Secondly, originally your business plan said it was a restaurant not a bar, correct?

Rich Simpson: We agreed not to put the word bar on my awnings and my awning strictly says Alibi. Originally it was to be a restaurant and bar but now it's changed to strictly a restaurant. But due to the fact of all the banquet requests I can't survive.

Ald. Payleitner: And all the restaurants of similar classes have licensing that ends at 1:00 a.m.

Atty. Good: May I just refer the license class he's holding in case there is ever any other changes in the future. I know at presence there is the intention to have on the 4th the ordinance to limit all hours to 1:00 a.m., but what class license do you hold?

Rich Simpson: B3

Atty. Good: So possibly you could amend it to that B3 license class?

Ald. Rogina: Given that this a committee recommendation and given the fact that we may change this particular license to 1:00 a.m. on the 4th; at this point Mr. Simpson is still under the old rule until the 4th?

Atty. Good: Yes.

Ald. Bessner: And that won't take effect until it goes through the Council as well for this particular request.

Atty. Good: I believe so and at that point you would just deem the conditions that were placed on the license to be no longer in effect and since that was not done by ordinance, I recall to impose limitation, it was done by the recommendation of the Council by the Liquor Control Commissioner it doesn't require any further ordinance, resolution, or appropriate action to let those condition go by the wayside and permit operation with the 1:00 a.m. license assuming it passes.

Ald. Krieger: If and when the Council passes the general 1:00 a.m., how long before that takes effect.

Atty. Good: Like any other ordinance, 10 days from after it passes approval and publication.

Ald. Carrignan: Because we have an agreement with Mr. Simpson, it was not by force of ordinance? Is it released now or is it released on the 4th?

Atty. Good: That's up to the liquor control Commissioner. It was under his authority with recommendation from the Council.

Mayor DeWitte: It's my intention of releasing him from the guidelines currently attached to his license. They would be removed at the time the B licenses closing time is changed. We can take care of both issues the same night and not until then.

Chrmn. Martin: Is that understood by you Mr. Simpson?

Rich Simpson: Yes.

Motion by Ald. Turner, second by Rogina to adjust the hours of the Class B3 license for Alibi Bar & Grill Restaurant to the standard B licenses.

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

8. Additional Items
None.

9. Adjournment

Motion by Carrignan second by Krieger to adjourn meeting at 8:10 p.m.

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

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