

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, MAY 21, 2012**

1. Opening of Meeting

The meeting was convened by Chair. Martin at 7:23 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, Chris Minick, Chief Mullen, Peggy Forster, Kathy Livernois, and Chief Lamkin

3. Omnibus Vote

None

4. Human Resources

- a. Recommend approval of a Resolution Authorizing the Director of Human Resources to Execute a Letter of Agreement with Laurus Strategies for benefits consulting/management services for FY12/13.**

Kathy Livernois: Tonight I am here to ask for your approval for our second year of an agreement with Laurus, our health insurance consultant. This is the last year of their agreement and we will be doing an RFP in the fall and making a determination on who our next consultant will be for the next fiscal year – May 1, 2013. I would also like to add that I think we have done a really good job with our health insurance in partnering with Laurus. We were one of the very few communities that were able to have an increase with our health insurance cost of less than 3% for this year which is outstanding. They have been a good partner for us and have helped to work together in lowering our health insurance cost.

Motion by Ald. Stellato, second by Monken to recommend approval of a Resolution Authorizing the Director of Human Resources to Execute a Letter of Agreement with Laurus Strategies for benefits consulting/management services for FY12/13.

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

5. Finance Department

Chris Minick: I would like to present Mike Shortall who is our new Director of Purchase and Inventory Control. With Ross Wiegert's recent departure from the organization that has created an opportunity for Mike and we are excited that he is going to avail himself of the opportunity and you'll see him from time to time presenting items regarding purchasing and inventory control matters.

- 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 approval of an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles (transformers/switchgear).**
- d. **Recommend waiving the bid procedure and allow spot buying of transformers on as needed basis.**

Mike Shortall: I have four items and I am asking for approval for the sale of miscellaneous vehicles that will go to on-line auction. The second is the sale of miscellaneous items that were turned over to this department from the Police Department. The third item is to sell transformers/switchgear and the fourth item is to waive the bid procedure to buy new transformers/switchgear for stock.

Motion by Al.d Carrignan, seconded by Krieger to recommend approval for items a – d.

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

- e. **Recommend approval for the St. Charles Convention and Visitor's Bureau funding request for FY12/13.**

Chris Minick: Each year the City allocates funding for the St. Charles Convention and Visitor's Bureau to promote tourism and tourism activities within the City; and each year the CVB provides an update to the Government Operations Committee of its activities and goals for the upcoming the year. They've included a packet of information that is enclosed with the materials tonight.

Amy Egolf, Executive Director, St. Charles Convention and Visitor's Bureau, 311 N 2nd Street. I would like to take a moment to recognized the President of our Board, Steve Martin.

I'm here to talk about tourism, the second largest industry in the state of Illinois. Here in Kane County domestic travel expenditures rank fifth in the entire state; and here in the City

of St. Charles we actually have more than 50% of the hotel room inventory within our city's boarders. Tourism is extremely crucial to the City of St. Charles. It is also a very viable solution during times of economic crises and it is a solution of economic woes. I am happy to announce that of right now our hotel tax receipts are up at the 2008 level when the economy started to drop.

I have three specific reasons of being here tonight. Each one of you have received a copy of our achievements from last year as well as our preliminary budget and marketing plan for FY 2013.

First I am here to thank you for your support of our program. It is designed to drive tourism revenue to increase tax receipts and to reduce the tax burden to those residents you represent. In addition, St. Charles enables the bureau to apply for and receive over \$250K additional dollars in matching grants from the state of Illinois. All of that is used to promote the wonderful products of St. Charles.

The second reason I am here is to ensure you that our entire board and staff are dedicated to spending each and every one of our dollars wisely, to make good decisions, to constantly work on deficiencies, and to keep in mind how important it is to have a significant return on investment.

Thirdly I am here to ask for your continued support. For the past three years the Council has provided us with \$525,500 collected through the local hotel tax receipts. We are asking for the same amount for FY 2013.

Thank you for your support, confidence, and I sincerely ask you to consider our funding request for next year. I can ask any questions you have on our current program of work and what we hope to continue to do for FY 2013.

Ald. Stellato: I want to commend you on the report I received. I read the whole thing and the statistics were amazing. The study done by Temple University was phenomenal. Nice work.

Amy: Doing a conversion study can be a very scary thing. The industry standard is a conversion rate of about 42% and we topped that by another 20%.

Motion by Ald. Turner, second by Krieger to recommend approval for the St. Charles Convention and Visitor's Bureau funding request for FY12/13.

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

- f. **Recommend approval of a Resolution Expressing Official Intent Regarding Capital Expenditures to be Reimbursed from Proceeds of an Obligation to be Issued by the City of St. Charles, Kane and DuPage Counties, Illinois.**

Chris Minick: Enclosed is a Resolution of Intent regarding capital expenditures for the Emerald Ash Borer replacement program. Several weeks ago we were given direction to undertake a program of removal and replacement of trees infested with the Emerald Ash Borer and we are going to finance a portion of that project through a bond issue. We are going to be issuing some bonds later this summer for a variety of projects including the Emerald Ash Borer portion. We need to put together a resolution of official intent to reimburse ourselves for any expenditures that might occur between now and the issuances of those bonds. This is an IRS requirement so that we can maintain the tax exempt status of the bonds and to make sure any cost we incur from the Emerald Ash Borer infestation litigation will be reimbursable from the proceeds of those bonds.

Ald. Carrignan: Does the reimbursement period start from the time we voted a few weeks ago or does it go all the way to beginning of the Emerald Ash Borer situation that developed over the last year or so?

Chris: It will actually go back 60 days from the passage of this resolution in terms of the reimbursement. Assuming this passes June 4, it will go back to April 4, 2012.

Motion by Ald. Carrignan, second by Stellato to recommend approval of a Resolution Expressing Official Intent Regarding Capital Expenditures to be Reimbursed from Proceeds of an Obligation to be Issued by the City of St. Charles, Kane and DuPage Counties, Illinois.

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

g. Monthly Update regarding City's financial results for March 2012 – Information Only.

Chris Minick: Also enclosed in your packet tonight is the monthly update on financial operations results for March 2012, the 11th month of our fiscal year. I will make some brief, general comments on all four of the funds because they are all very similarly situated.

The revenues are trending slightly below budget at this particular point in time, but all of those revenue shortfalls have more than been offset by expenditures that are coming in even at a lower level as compared to budget. The operating results are better than anticipated and better than we budgeted and had expected through the fiscal year.

We just finished our fiscal year April 30 and we'll be preparing all those unedited reports and going through the audit process later on this summer.

Ald. Carrignan: How profitable was last winter, how much did we not spend on snow removal, etc. that would go into a 50-inch snowfall season?

Chris: We did have quite a significant amount of savings but I don't have the exact dollar figure with me. In the comments we are also seeing that our sales tax revenues are a little

bit slower than we would of liked. They started off gangbusters in the beginning of the year and then leveled off quite a bit. But overall the good news is when you have a good diverse revenue stream, that is when you get something like that where there is another stream that can pick up the slack. The hotel tax and income tax have both been really good performers for us this year.

6. City Administrator Office

- a. Recommend approval of a Resolution Authorizing the Mayor and City Clerk of the City of St. Charles to Execute a Certain Agreement – BRICOR Consulting Inc.**

Brian Townsend: This is the annual renewal with our legislative consultant; primarily Karen Ramey is the person that works on that account. As indicated in the writeup this is the annual fee of \$23K that we pay on a monthly basis and that has been held at that same amount for the last three year and we are recommending approval of this agreement for FY2012/13.

Motion by Ald. Carrignan, second by Monken to recommend approval of a Resolution Authorizing the Mayor and City Clerk of the City of St. Charles to Execute a Certain Agreement – BRICOR Consulting Inc.

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

- b. Recommend approval of an Ordinance Amending Title 5 “Business License and Regulations,” Chapter 5.08 “Alcoholic Beverages” of the St. Charles Municipal Code – Various Provisions.**

Mayor DeWitte: This item is in regards to the list of ten amendment changes to Section 5.08 of the City liquor code. Two weeks ago this item was presented in detailed by Mr. Townsend and the decision was made at that time to table these items to this meeting this evening. After conversation with the Chairman he has agreed to allow these items to move forward at this point.

The second item related to that has to with a document that you all received this evening, regarding eight language revisions within the existing city code; mostly related to Class E – Temporary Licenses. Generally speaking I would characterized these as areas that either the Liquor Commissioner or Chief of Police could have authority over various aspects of administration. The Chairman is asking advice and consent votes be added to this language pertaining to those E license issuances and administration aspects.

What I would like to do this evening is to move the ten amendments forward for approval and then take the eight suggested revisions from Chairman Martin under advisement and ask that they be moved to next Tuesday’s Government Services Committee meeting so that we can all digest them and address any questions that may arise and then have discussion next Tuesday evening.

Chrmn. Martin: At your request to present the ten amendments, I'll entertain a motion to approve those.

Ald. Payleitner: Number 8 on the list regarding "Holding Bar is permitted provided that it shall not exceed 20% of the total number of seats in the establishment," who polices that?

Mayor DeWitte: Typically its policed at the time an establishment comes in with a new site plan for that particular establishment. It's not anything we've gone back and policed wrt establishments that may already be in operation, but it is something that is looked at with every new application.

Ald. Payleitner: Is it possible if there is a violation when we go into an establishment and all of sudden the 20% number isn't holding, is that a violation of their license?

Atty. Good: It can be enforced if there is evidence that the holding bar exceeds that 20% number of seats. It is a violation of the license so there can be a fine, suspension, or revocation; although revocation takes a while to get that point.

Motion by Ald. Carrignan, second by Stellato to recommend approval of the ten proposed changes to the Ordinance Amending Title 5 "Business License and Regulations," Chapter 5.08 "Alcoholic Beverages" of the St. Charles Municipal Code – Various Provisions.

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

Chrmn. Martin: Motion carried and the second item is the ordinance itself and the Mayor has requested it be tabled until next Government Services Committee.

Mayor DeWitte: Yes, these are the revisions that Chrmn. Martin submitted this evening and that you all have copies of regarding the E classifications.

Ald. Rogina: In the E section, in the past, the advice of the Council is not present. That is what the Chair is proposing for discussion next week?

Mayor DeWitte: Correct.

Ald. Stellato: The motion is to table this item to next Tuesday?

Chrmn. Martin: Yes, I need a table motion or continuance.

Motion by Ald. Carrignan, second by Stellato to continue this item Ordinance Amending Title 5 "Business License and Regulations," Chapter 5.08 "Alcoholic Beverages" of the St. Charles Municipal Code – Various Provisions to May 29, 2012 Government Services Committee.

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

- c. **Recommend approval of a Class B2 liquor license application for The Original Gino's East of Chicago located at 1590 E Main Street, St. Charles (new owner).**

Mayor DeWitte: This is an application for a new B2 restaurant license for an existing establishment. The Original Gino's East at 1590 E Main Street in the Tin Cup Pass shopping center has new ownership. Those new owners have filed for a new Class B license. The old B license for The Original Gino's is expired. Application has been approved, Police Department has completed the background check and I would request approval of this B2 license.

Motion by Ald. Carrignan, second by Stellato to recommend approval of a Class B2 liquor license application for The Original Gino's East of Chicago located at 1590 E Main Street, St. Charles (new owner).

Roll Call: Ayes: Stellato, Monken, Carrignan, Payleitner, Turner, Rogina, Bessner, Lewis; Nays: Kriger. **Chair. Martin did not vote as Chair.** Motion carried.

7. Additional Items

David Amundson, 500 Cedar Street: If I understand things correctly, what I just witnessed here are changes to the liquor license ordinance which by a Blog that Mr. Townsend put out a while ago was to better differentiate restaurants and bars in this town. As everyone in front of me is aware we seem to have a problem with bars in this town and is getting to be a growing disconcert amongst residents. The problem I perceived is that despite the fact the changes being made to the ordinance, I think all I just witnessed was rearranging chairs on the deck of the Titanic. If I read through the notes and understand them, I don't know how what just happened is going to resolve being able to differentiate between bars and restaurants. Right now, for example, Dawn's Beach Bar, Alibi Bar & Grill, Alley 64, Beehive – these are all restaurants. We keep approving restaurants in town and they keep acting like bars and then we start wondering why we have all these problems with drunks in our town. As somebody that lives in the downtown, I can tell you my family and my neighbors are starting to get very tired of it. There's got to be a better way. I hope you all will take a more serious look at the changes to the liquor license ordinance and pass something meaningful.

Geneva, for example, has a great liquor ordinance from my perspective, which is limited, but I've read through it and it says if you are a restaurant, 50% of your sales are food. So they have a very clear understanding of who is a restaurant and who is a bar. There is no confusion between it. If you are a restaurant you sell mostly food. If you're a bar they don't care and they don't place any limitations on when food has to be offered. There's a bit of a libertarian streak in me that says "what business does Council have saying you have

to sell food at these hours and you have to make it available.” If I was a businessman and knew it was not going to sell, why would I want to offer it? What social good does it do anyways? If I offer food and I’m required by law to offer food and no one is buying it? I’m wasting energy, adding greenhouse gases, throwing away food, throwing away money, throwing away profit, and what impact is this having on societal problems in our town? If no one is buying the food – none. It’s a difference without a distinction.

There has to be a better way to clarify what’s a bar and what’s a restaurant; and I would love to see this Council get serious and decide how many bars is appropriate for downtown. Not hybrid restaurant bars. How many bars are we going to have and how many restaurants we are going to have? Geneva also allows an unlimited number of restaurants with liquor licenses. I personally don’t have any trouble with that and probably others wouldn’t either. I can’t remember the last time cops were called at Taste of Himalayas, Isacco, Francesca’s or ZaZa’s because we don’t get drunken brawls outside of a restaurant. It almost never happens. The drunken brawls happen outside of bars. So maybe we need to focus on how many bars we are going to have in this town.

I will throw this out for consideration – the alcohol sales tax we have really seems to me to be a sin tax in reverse. Rather a sin tax discouraging certain behavior, it seems it sort of encourages behavior because it makes us want to have more bars so we can have more liquor to make more money which is not where we need to be headed. We are sort of addicted to that income stream and I don’t want to watch my town go down the sewer over a couple of hundred thousand dollars a year. It’s a crime. What if we had a 1% tax on food all across the board for everybody and got rid of the alcohol tax? What if there was a 1% tax on food and ½% tax on alcohol? That would encourage restaurants. It would encourage the City to define restaurants in place, not just bars.

I would be interested to know and hope one of you will take this seriously and track down how much money are we really talking about. I’ve heard a million dollars batted around in several forums in terms of the alcohol money coming in; but really and truly the source of the problem that everyone can identify is in a 2-block zone downtown (10 or 12 establishments). How much money are these establishments bringing in from alcohol sales tax? How much money are we spending on police protection to neutralize the problems they bring to our town? Are we robbing Peter to pay Paul? Are we losing money on the deal? Does anyone really know? I would like to have somebody dig and find those numbers and make them public.

Last, I really would love for my town not to turn into the laughing stock of Kane County. I’ve been very dismayed that the only local news source I get off of Patch is the local police blotters that come in week after week after week and continue to get more and more and more embarrassing. People are starting to read the Patch reports as sport over lunch breaks so they can laugh at us. What were the drunks doing in St. Charles last weekend? It’s embarrassing and we need to do something to change the culture in this town and I’m pleading with you to please do something. My neighborhood is at stake because the bad influence is creeping out and people start giving up. When they give up they stop

improving, put their house up for sale, and we see more houses turn into multiple tenant occupancies and things that aren't as stable as families living there. We just start watching this long, slow slide down to the end. And again, over what – couple of thousand dollars a year – if even after we subtract for police hours. It doesn't make sense. Please do something meaningful. If I understand what happened here tonight; what happened here is not necessarily meaningful. It didn't address the core source of the problems.

Thank you for your time.

Chrmn. Martin: Mr. Amundson, we had a food tax in the past and it was nonproductive because it penalized the people who don't serve alcohol and created a hardship on them and we rescinded it seven years ago (2005).

8. Adjournment

Motion by Stellato second by Monken to adjourn meeting at 8:01 p.m.

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

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