

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, OCTOBER 15, 2012**

1. Opening of Meeting

The meeting was convened by Chair. Martin at 7:53 p.m.

2. Roll Call

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

Members Absent: Carrignan

Others Present: Brian Townsend, Chris Minick, Asst Fire Chief Schelstreet, Chris Aiston, Kathy Livernois, and Chief Lamkin

3. Omnibus Vote

Budget Revisions – September 2012

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

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

4. Mayor's Office

- a. **Recommendation to approve a Class B3 liquor license for L.D. Timeout Sport Bar & Grill to be located at 2051 Lincoln Hwy., St. Charles.**

Mayor DeWitte: Tonight I am presenting an application for L.D. Timeout Sport Bar & Grill at 2051 Lincoln Highway. This is the former Sportsters establishment. They have applied for a B3 restaurant license. They will be serving food as part of their package. Enver Ahmeti is here if you have any questions. Paper work has been processed and Police Department has finalized their background check and would ask for your approval.

Ald. Payleitner: On the paperwork we have there are a lot of blanks and have those since been filled in? BASSET certificate isn't filled in. Are we rushing into this maybe unless all this has already been done?

Mayor DeWitte: Mr. Ahmeti can you address the BASSET certification?

Mr. Ahmeti, 1351 Concord Drive, Elgin: BASSET is done, but don't have the certificate yet.

Mayor DeWitte: It's done and the City requires to have a copy of all required documents before releasing the license.

Ald. Lewis: It looks like a large facility, what is the capacity?

Mr. Ahmeti: We have not come up with the final number, so I am not sure yet. You have an old floor plan. We are planning to come up with a new one, but it will be basically the same thing.

Ald. Stellato: It's stated in the memo as 180 people.

Mr. Townsend: The maximum headcount is usually determined by the Fire Department at the time of final inspection based on the number of tables and chairs and how much space is required. 180 is what they are estimating right now.

Ald. Krieger: Final note on the memo here says criminal history on the applicant is pending. Is that something new, pending receipt of conviction?

Tina Nilles: That is standard procedure. I send the fingerprint card to state and they send me a readout confirmation on the background history. If there is anything of concern it is forward over to the Police Department for them to handle.

Ald. Krieger: I hadn't notice this before.

Tina Nilles: I have not been including all these attachments before you tonight. I usually only include the front page of the application.

Ald. Rogina: Sir, do you know the size of your establishment compared to the size of the old Real Time Sports that is down the block from where you're at? Does your establishment compare in size – less, smaller?

Mayor DeWitte: It's at least 20% smaller – significantly smaller.

Chrmn. Martin: I only have one comment, do we really need another sports bar and grill?

Motion by Ald. Stellato, second by Monken to recommend approval of a Class B3 liquor license for L.D. Timeout Sport Bar & Grill to be located at 2051 Lincoln Hwy., St. Charles.

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

5. Police Department

- a. **Recommendation to approve an Ordinance Amending Title 9, "Public Peace, Morals and Welfare" of the St. Charles Municipal Code – Various Revisions.**

Chief Lamkin: These are three ordinance changes that really affect the citable fine dollars that are on there. This is something that came up in the discussions recently regarding some of the alcohol related problems. What we are asking is that we would increase the public intox, public urination citable to \$100 and the fighting ordinance to \$500. We see that to be a greater deterrent if we put a stronger fine on them; so we are recommending those increases.

Chrmn. Martin: Right on the heels of granting another license.

Motion by Ald. Stellato, second by Turner to recommend approval of an Ordinance Amending Title 9, "Public Peace, Morals and Welfare" of the St. Charles Municipal Code – Various Revisions.

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

6. Finance Department

a. Recommendation to approve an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles.

Mike Shortall: We are asking for approval to dispose of two city vehicles, a trailer, hose reel, pump, and also 24 miscellaneous items to be sold via on-line auction.

Motion by Ald. Krieger, second Turner to recommend approval of an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles.

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

b. Recommendation to approve estimated amount of 2012 Property Tax Levy in the amount of \$22,452,396.

Chris Minick: We are seeking a motion tonight to approve the preliminary estimate of the 2012 tax levy in the amount of \$22,452,396.00. Each year as part of the tax levy process, the first step in the process is to actually establish a preliminary estimate of the levy of the amount of property taxes to be received in the following year. This estimate then becomes the basis for the amounts that are published in the newspaper for the notices of the required public hearing we have as part of the tax levy process. It is important to note that this estimate does not obligate us to levy taxes in this or any amount. We do have the flexibility and discretion to change the levy up until the time the levy is finalized in spring 2013.

The levy has three main components: operational levy, the debt service levy, and the Special Service Area levy. The operational levy is the part of the levy in which the City Council and Committee has the most control; that has been held consistent for the last four years to approximately \$12M and the amount has not changed since the 2009 levy.

Our debt service levy is increasing this year if you look at the comparison between the 2011 and 2012 estimated levy; however, we must include this amount in the preliminary estimate of the tax levy, but typically each year in January the City Council passes ordinances that abate and move that tax levy from the tax bills of our residents. So our residents don't end up paying that amount via the property tax levy. The debt service payments are traditionally made out of the revenue stream of the General Fund User Fee if it's a utility bond or the TIF incremental levy. We do obviously have intent to do so again this year to abate the levies and pay the debt service out of the general revenue stream. Again that means that amount \$9.9M will not appear on the tax bill.

The Special Service Area portion of the levy is roughly the same as the 2011 tax levy and we are anticipating that the EAV or taxable value of the property contained within the boundary of the City is set to decrease by approximately 5% for the 2012 levy. In other words, we have not quite seen the bottoming out of the real estate market from the effects of the great recession that started in 2008/09 timeframe.

The next step in the process is that if the preliminary estimate is approved tonight, it will go onto City Council and if its approved there we will utilize that amount to publish the notice of the Public Hearing. We will hold the Public Hearing sometime late November/early December timeframe and then we'll request approval of the formal tax levy ordinance later on in December.

Ald. Rogina: First, commendations on the Moody Bond rating. Having said that, is there a simple way for the reporters to communicate to the community that the increase in the debt service levy will be abated. Most of us understand that and we actually acted upon that, but I think some common language would be good.

Chris: The easiest way to say it is legally we are required to include it in the estimate; but we won't charge them for it. That's the simplest way that I can boil it down.

Ald. Rogina: We are required to do that because...

Chris: The amounts appear in the bond ordinances. When we issue a general obligation bond ordinance, we are required to levy a tax for the amount of the debt service on an annual basis. The City Council must then take affirmative action to prevent that revenue from flowing through onto the tax bills.

Ald. Turner: Okay, so we are going to have an EAV of 5.16% less than last year?

Chris: That is an estimate.

Ald. Turner: We are telling our administration that they are going to somehow have to find 5.16% in savings to cover that loss of money?

Chris: What we have been doing in the operational portion of the levy is we've been holding the dollar amount of the operation portion of the levy the same so the City has been collecting the same dollar amount of taxes, and what that has the impact of doing is driving up the rate in a corresponding amount. So if we hold the dollar amount of the levy at the same \$12,550,000.00 level, what will happen is that the rate will increase by roughly 5.1%. If there was a corresponding increase in the rate and the dollar amount is held consistent, then the valuation must decline the corresponding amount.

Motion by Ald. Rogina, second by Turner to recommend approval of estimated amount of 2012 Property Tax Levy in the amount of \$22,452,396.

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

c. Monthly Update regarding City's Financial Results for August 2012 – Information Only.

Chris Minick: Also enclosed in the packet tonight is the summary financial report for August 2012. Conceptually there are not a lot of changes from what I presented a couple of weeks ago at the end of July. Some of the numbers have changed around a little bit.

Very briefly the General Fund is forecast to have a deficit for the fiscal year of approximately \$50K. We do continue to see improvement in our revenue streams; they are up 7% over the August 2011 amounts in the General Fund as a whole. Our expenditures are currently trending lower than budget, particularly the contractual services line item and that is accounting for a lot of the savings that we are seeing in the General Fund as compared to budget.

In the Electric Fund we have a \$1.6M deficit forecast. Our revenues and power purchases do continue to trend significantly higher than our preliminary budget estimates when we put the budget together back in April; that's mainly due to the hot dry summer we experienced in the summer 2012.

In terms of the Water Fund the revenues are significantly higher than the prior years; they are trending about 10% higher than the budget for the fiscal year. Again it is tacking onto the weather conditions we experienced in 2012.

Our Operating expenses are trending right now about 2% lower than budget and we do have a deficit of approximately \$1M forecast in the Water Fund. The Sewer Fund has not changed materially. It has been pretty much in line with our expectations this fiscal year and the report is the same as the end of August 2012.

That was a brief run down and I would be happy to answer any specific questions.

Ald. Turner: On the electric did we have to go outside and bypass what we normally buy through our normal IMEA?

Chris: No, we have still been buying our power through IMEA. We have not had to spot buy on any markets.

Ald. Turner: Are we over what we had intended to purchase from them?

Chris: Yes, our kilowatt hours on total consumption was definitely over but it is compared to what we did expect.

7. Additional Items

None.

8. Adjournment

Motion by Stellato second by Monken to adjourn meeting at 8:11 p.m.

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

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