JT A3U

MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, JANUARY 7, 2013

1. Opening of Meeting

The meeting was convened by Chair. Martin at 7:25 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, Mark Koenen, Rita Tungare and Acting Fire Chief Schelstreet

3. Omnibus Vote

Budget Transfer Listing – November 2012
Budget Transfer Listing – December 2012
Transfer Resolutions (28)

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

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

4. Finance Department

a. Recommendation to approve an Ordinance Providing for the Issuance, in One or More Series, of Not to Exceed $27,000,000 General Obligation Corporate Purpose Bonds of the City of St. Charles, Kane and DuPage Counties, Illinois, Authorizing the Execution of One of More Bond Orders and One or More Escrow Agreements in Connection Therewith, and Providing for the Levy and Collection of a Direct Annual Tax for the Payment of the Principal of an Interest on Said Bonds.

Chris Minick: Enclosed in the packets is an ordinance authorizing the issues of joint obligation bonds in an amount not to exceed $27M. The purpose for these bonds is two-fold that are being contemplated this evening. These bonds will provide approximately $2M in new money financing for various utilities projects contained in the FY12/13 budget simply for which financing has not been obtained due to the timing of the project or relative to the issuance of the prior debt issue. The second purpose for this particular issuance of these bonds will be to restructure the existing debt related to the 1st Street TIF. These bonds, as structured within the ordinance, would replace all of the current debt outstanding for the 1st

Street TIF in the amount of approximately $28.5M. These bonds are also structured that we would be taking this action to alleviate the tax delay of construction related to Phase 3 due to the general economic conditions that have been prevalent within the country and world over the last 3-5 years that have really grind these types of development to a halt based on the financing conditions that have been prevalent in the markets. These bonds would have the impact of lowering the annual debt service requirements mainly through a combination of lower interest rates and extending the term of the debt; thereby reducing the debt service payment from the General fund on an annual basis. In fact we estimate that the way these bonds are structured as presented in the ordinance, that over the next five years the reduction in the debt service cost in the General fund is anticipated to be about $5.6M or approximately $1.125M on an annual basis. These funds could then be utilized for other General fund programs and expenditures to benefit the citizens of the City. Further the ordinance, as structured, contemplates the future construction of Phase 3 and future development of Phase 3. It is a key piece of property within the City's downtown and we are confident that development will occur on that sight. The bonds, as structure in the ordinance, allow for early retirement of the debt as additional revenue is generated on that sight. The process from here on out, assuming that the ordinance is accepted as presented this evening, we'll proceed to price bonds in late January, early February, and then close in February. We anticipate we will have the funding on hand no later than March 1, 2013. Staff does recommend approval.

Ald. Rogina: I reviewed these figures from the Retreat when you made this original presentation. The ordinances here are in line with those figures that you presented?

Chris: We have updated the figures for a couple of things. The amount of the equity contribution has decreased slightly. That would be the amount of funding we would be putting in to achieve the lower debt service and it has been updated for the market conditions and, in fact, the lowering of interest rates that time in late October/November.

Motion by Ald. Carrignan, second by Bessner to recommend to approve an Ordinance Providing for the Issuance, in One or More Series, of Not to Exceed $27,000,000 General Obligation Corporate Purpose Bonds of the City of St. Charles, Kane and DuPage Counties, Illinois, Authorizing the Execution of One of More Bond Orders and One or More Escrow Agreements in Connection Therewith, and Providing for the Levy and Collection of a Direct Annual Tax for the Payment of the Principal of an Interest on Said Bonds.

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

5. City Administrator's Office

a. Recommendation to approve request from the St. Charles Festival Committee for funding for 2013 Pride of the Fox Riverfest.

Brian Townsend: I am going to make some brief remarks about this item and then ask for the Committee's direction on how they would like to proceed. Several weeks ago there was

information received by the City that the organization that organized the Pride of the Fox in 2012 was planning to cease to exist and its Executive Director had resigned. As a result of that decision, there was some movement within the community on the part of a couple of individuals, Tom Anderson and Mayor DeWitte, to attempt to put together an organization to sustain this festival and offer it in 2013. After several weeks of consideration, a letter was received from this group indicating that they had formed a committee and were interested in moving forward in 2013. With that information was also a request for some additional financial support from the City of St. Charles. As you may recall, traditionally the City has provided funding support in the amount of $18K plus a 50% discount on any services that the City offers during the event. The request that we received, which is in your packet, requests an additional $15K in one-time funding support to bring the level of operating reserves from approximately $15K to $30K; and the overall budget for the event is about $190K; so the $30K represents about 16% of the overall budget.

Upon the conclusion of preparing the agenda item and the materials for the consideration of the committee this evening, I believe you all received correspondence from the former Executive Director indicating perhaps she would like to regain her position for the purposes of organizing the event. From the City's perspective I don't think we have a preference one way or another, at least as it pertains to the economic impacts of the event. Both entities are requesting in the neighborhood of $30K. My purpose for putting this item on the agenda this evening is that we are currently in the midst of putting together our budget for FY13/14 and it is important for us to know whether or not the funding allocation from the City of St. Charles is going to be $18K as it has been in the past, or it will be $30K-$33K as is being requested by these organizations. Where that leaves us is needing some feedback on the additional financial contribution and perhaps delaying a final decision on this matter a couple of weeks to give us some time to figure out which entity is going to sponsor/organize this event in 2013 and beyond.

Chair. Martin: I think that this business came up awful fast. I got it on Friday and its now Monday. I would ask for a motion to table it as the administrator requests.

Ald. Stellato: I think the increased budget makes sense, but I would also agree to table this item.

Ald. Carrignan: In listening to some of the downtown folks and the partnership in the last couple of years, I thought this is one of the most challenging festivals, not in a negative sense. It wasn't really supported by the people downtown. The question is the size of the festival in itself. Maybe a smaller St. Charles centric, St. Charles focus might make this more home grown and St. Charles felt. I think this is something we should consider and would ask both organizations who are looking to move forward, to look at that as a possibility.

Ald. Turner: I would vote for a table. I think it's good to have two proposals instead of one so that we have something to compare it against. Each wants to give a presentation why one is better than the other – then so be it.

Ald. Bessner: I am all for the additional funding. My question is how soon can we get both of these on the agenda so that we can move forward. Obviously we have lost a lot of time in planning for this event and I don't have any problem with the size of statue of the event over the last few years.

Ald. Carrignan: I agree with Ed and Bill that the funding of it at $30K makes sense, so from a budgetary standpoint, as far as I am concerned, that something in that area would be fine. I would also like to see the comparison of the two organizations.

Chair. Martin: If the amount goes to $30K are they not subject to the reporting requirements of entities receiving over $25K from the City?

Brian: Yes they would. There are some additional requirements associated with that.

Chair. Martin: We might advise the presenters that will be an issue they will have to address before us.

Brian: We can certainly advise them of that and representatives from both entities are here in the audience tonight and would be happy to address any questions you may have.

Ald. Carrignan: We have $18K in the budget that we've had for the past number of years. Is this a one-time, one-year exception to $18K. Is that how we are looking at this?

Brian: That's how I look at it. I know the request we have from the St. Charles Festival Committee reflects that. The alternative proposal treated it more like an annual sponsorship; so I think they were intending for that to be a recurring amount, but that is something we can clarify on January 22 which would be the next committee meeting.

Motion by Ald. Stellato, second by Krieger to table the request from the St. Charles Festival Committee for funding for 2013 Pride of the Fox Riverfest to January 22, 2013.

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

Chair. Martin: This item is tabled to the January 22 Government Operations Committee meeting and the two entities are advised to make a presentation to us.

Brian: I would like to request an executive session to discuss probable or imminent litigation and property acquisition?

Motion by Ald. Carrignan, second by Bessner to enter into Executive Session at 7:37 p.m.

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

6. Executive Session

- Personnel
- Pending Litigation
- Probable or Imminent Litigation
- Property Acquisition
- Collective Bargaining
- Review of Minutes of Executive Sessions

Motion by Ald. Stellato second by Krieger to come out of Executive Session at 8:05 p.m.

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

7. Additional Items - None

8. Adjournment

Motion by Monken second by Bessner to adjourn meeting at 8:07 p.m.

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

:tn