

**MINUTES  
CITY OF ST. CHARLES, IL  
GOVERNMENT OPERATIONS COMMITTEE  
MONDAY, JULY 1, 2013**

**1. Opening of Meeting**

The meeting was convened by Chair Turner at 7:09 p.m.

**2. Roll Call**

**Members Present:** Chair Turner, Ald. Stellato, Silkaitis, Payleitner, Lemke, Bancroft, Martin, Krieger, and Bessner

**Members Absent:** Lewis

**Others Present:** Brian Townsend, Chris Aiston, Peggy Forster, Chris Minick, Mark Koenen, Chief Lamkin, Kathy Livernois, Rita Tungare, and Fire Chief Schelstreet

**3. Omnibus Vote**

Budget Revisions – April 2013

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

**Voice vote:** unanimous; Nays: none; Absent: Lewis. Chair Turner did not vote as Chairman.

**Motion carried.**

**4. Mayor's Office**

- a. Recommendation to approve a Class B1 Liquor License for J.C. Sake, Inc. to be located at 3843 East Main Street, St. Charles.**

**Mayor Rogina:** This is a request for a Class B1 liquor license for J.C. Sake, Inc. to be located at 3843 East Main Street, St. Charles, IL 60174. All documents are in order and Mr. Shi has been fingerprinted and BASSET certified. You have a copy of the floor plan in front of you for this restaurant. I would just simply suggest that this restaurant would be along the order of Sushi Yama and House of Tokyo both on the eastside. Hopefully a nice trend toward establishing more business on the eastside; so with that I would recommend your approval of the license.

Motion by Ald. Stellato, second by Silkaitis to recommend approval of a Class B1 liquor license for J.C. Sake, Inc..

**Roll Call:** Ayes: Stellato, Silkaitis, Payleitner, Lemke, Bancroft, Bessner : Nays: Martin, Krieger; Absent: Lewis. Chair Turner did not vote as Chairman. **Motion carried.**

**5. Finance Department**

**a. Recommendation to approve funding for the Heritage Center for FY13/14 as a specific line item in the budget.**

**Chris Minick:** As mentioned there is a request for direct funding allocation for the Heritage Center for FY13/14 in the amount of \$35,000 from the hotel/motel tax line item. There are funds available within the FY13/14 allocations of the hotel/motel tax revenue to accomplish this particular allocation. During FY12/13, the Heritage Center was allocated exactly \$33,250 via the Cultural Commission allocation process. The Heritage Center at this time is requesting a more stable and predictable funding source than going through the Cultural Commission allocation process each and every year. The Heritage Center does meet the criteria for direct and distinct funding from the hotel/motel tax line item for outside agencies. They are a 501c3 that has been in existence in St. Charles for more than two years. They have the ability and have represented that they will provide monthly financial statements to the Finance Department as is required and they would make an annual presentation before this Committee each and every year before funding would be granted. There are representatives of the Heritage Center here to make a brief presentation in support of the request and they will be happy to answer any questions at the conclusion of the presentation.

**Natalie Gacek (215 E. Main Street):** The St. Charles Heritage Center has been in existence since 1933 and we've been at our present location at 215 E. Main Street and open to the public since May 2001. We do operate permanent exhibits, rotating exhibits, and we maintain a collections storage and archive. Our permanent exhibits are in the large hall. We have rotating exhibits that are now changing two to three times a year and we have the three front windows that also operate as exhibits to reach out to the public on our days that we are closed. We are the only organization in St. Charles that is charged with safeguarding and preserving the artifacts and documents and photos of St. Charles history and as such we have over 15,000 primary documents, papers, and artifacts in our collection and we have over 10,000 images in our collection that showcase the history of not only St. Charles, but also the township as well. Within the last 10 years we were also given control of all criminal, civil and probate court records and those are used in addition to our large research files for residents on a by appointment only basis to do research on family genealogy and local general research and also house history as well.

The majority of our collections are stored on site at the museum. We have an artifacts collections base down in our basement and then we have our archive upstairs. We also operate an offsite storage facility in a climate controlled environment at Hometown Storage on East Main Street. We started working with that facility after we vacated the Dunham-Hunt House a few years ago. The Heritage Center is governed by a board of 15 directors and we operate with one full-time director and have one part-time collections manager who is there roughly 12 hours a week. We offer a variety of programs for the public. We have adult programming where we work with the St. Charles Public Library to bring in first person interpreters several times a year. We invite the public, for free, to come to the Library at a lunchtime program and then several times a year we also try to bring in other speakers at a nominal fee that we open to the public as well.

Our student programs are offered to all District 303 schools. We focus primarily on the third grade. That is when they study local history and we offer tours at the museum and offer three on-site programs in the schools. We will bring artifacts into the classroom as well as a travelling trunk when we do a presentation. This year we started using our I-Pads to do the presentations both at the museum and in the school because most of the schools are now going towards the Smart Classrooms and we are taking advantage of that technology to bring all of our collections through photographs into the schools. We do work closely with most of the community stakeholding organizations. We work with the City of St. Charles to provide history when they need it for different events. Recently when there was the Red Gate Bridge Ribbon Cutting, we provided a history of bridges in St. Charles for that program. We provide photos whenever we can and assist with interesting history articles for the newsletter from time to time and there is always exhibits in the front lobby when they need them. We do the same with the township, providing information for their newsletter and there is a satellite photo exhibit over at the township offices.

We are an active member of the St. Charles Chamber. We work with the Library to do programming and I also work with the TNT group over there to do at least one St. Charles history program each year. We also do exhibits in their lobby on request well. We work very closely with the Convention and Visitors Bureau, especially during Scarecrow Festival to provide history tours on their trolleys and Amy and I will be working closely in the near future on a genealogy weekend in hopes of bringing out of town visitors to St. Charles to do research on their family who were from here originally. We work very closely with the school district as I mentioned on our educational programs and we also work to provide them with a satellite exhibit in their administration offices each year. We are active members of the Downtown Partnership as well.

The majority of our revenue right now comes from grants. We apply for grants through the Cultural Commission, the Kane County Riverboat, and the Norris Foundation. If this request is approved, we will be returning the funds that we had previously been given from the Cultural Commission to go back into that pot to be distributed to the other nonprofits that apply for the grant through that organization. Recently from the Kane County Riverboat, we were given a grant to do a lighting upgrade in the museum and we are switching to more energy efficient lighting systems. We are just waiting for that process to get finished up. We had our major fundraiser actually this past weekend. It was a pig roast at the museum and the City Council was very helpful in getting us through that process and allowing us to shut down part of 3<sup>rd</sup> Avenue so we could hold our event. It was a successful evening at the Heritage Center. We do charge for some of our programs which makes up for some of our revenue. We charge a research fee of approximately \$10.00 for every research request that comes in and we also have a gift shop where we can pull in some funding.

The Heritage Center is very dedicated to achieving best practices in the museum field. Last year the Board committed to going through voluntarily the STEP program, which is through the American Association of State and Local History. STEP stands for Standards in Excellence Program for history organizations. It is a voluntary, self-assessment program and it helps organizations to see where their strengths and weakness are and how they can better improve on

their practices. For staff development, I was recently accepted into a very competitive, very prestigious program called the Seminar for Historical Administration. It is a three-week program where they accept 19-20 professionals from across the country and we go to Indianapolis and meet with top level executives from museums from across the country to learn and do more professional development. With that, I would like to open it up for any questions.

**Ald. Martin:** This is a program that has been a long time coming. We finally arrived Mr. Anderson, where the City is willing to fund it.

**Chair Turner:** We do want to say also that this is coming from the hotel/motel tax. That's where its funding is coming from.

Motion by Ald. Martin, second by Krieger recommending approval of Funding for the Heritage Center for FY 13/14.

**Voice Vote:** Unanimous; Nays: None; Absent: Lewis. Chair Turner did not vote as Chairman.  
**Motion Carried.**

**b. Presentation of Monthly Update regarding City's Financial Results for April 2013 – Information Only**

**Chris Minick:** Enclosed in the packet is the summary financial information for April 30, 2013, that is the end of the City's fiscal year as you are all aware. I would make an observation and preface these comments by stating that these are the preliminary and unaudited results. They are range of magnitude accurate, but they will likely change as we go through the accrual and the audit process that will wrap up probably in early to mid-September. The auditors will be in to perform their field work at the end of July. That process will continue into August and then they will assist us in writing the financial report they will certify once they get all those numbers done, but the crux of my comments is that the numbers may change as we go through until we make the final presentation in September.

**General Fund** is projected to have a very good fiscal year, there is a \$720,000 surplus that's forecast based on revenues of about \$39.6 million and total expenditures of about \$38.9 million. That represents a revenue level that's approximately 2.8% below the revised budget which is due to be lower than anticipated collections in the sales tax and expenditures that are about 8.4% below budget related to personal services and contractual services within that particular line item. I mentioned sales taxes a moment ago. Sales taxes are going to warrant some additional scrutiny as we move into FY13/14. Quite frankly, they started out FY12/13 about a year ago very strong and they were very much in line with the budget expectations and represented some pretty good increases over the amounts recorded in the prior year, however, they've been kind of weakening ever since that second to third calendar quarter of 2012 and we're going to need to keep an eye on those as we move into FY13/14. We are still up about 1.2% in the sales tax line item for the year.

**Electric Fund** has approximately a \$616,000 deficit projected as of April 30. That's much stronger than the anticipated \$1.2 million deficit that we had projected when we did some revisions based on the hot summer that we experienced during calendar summer 2012. The operating revenues for the Electric Fund were about \$459,000 or roughly 1% below budget while expenses ended up 3.3% below budget.

**Water Fund** we were projecting a \$298,000 surplus based on \$5.8 million in revenues as compared to \$5.5 million in expenses.

**Wastewater Fund**, results are pretty much in line with our initial expectations of when we had passed the budget in April 2012. There is approximately an \$850,000 deficit that's projected and we had budgeted \$846,000 in deficit in April 2012. Our user charges in the Wastewater Fund are in line with the budget. With that, I'd be happy to answer any more detailed questions that you may have at this particular point.

**Ald. Stellato:** Chris, I just want to make sure I get this right, because it looks pretty good. The four funds at the end, which are the General Fund, Electric, Water and Wastewater, we performed better than budget on all four and with the exception of a 1% downturn in Wastewater, we performed better than FY11/12 on all four?

**Chris:** I believe that to be the case as well. Yes.

**Ald. Stellato:** Great job. Very nice job. Good work. Just wanted to make sure that was correct.

**Ald. Lemke:** On the sales tax, is there reason to think and we certainly don't want to disclose by individual business or stores, but do we know whether we could look at it by zone given to the Mayor's comments and our concerns about eastside traffic and perhaps deterioration of some of the sales in that area?

**Chris:** I believe that that does have an impact, most definitely. We certainly have the ability to take a look at who our top 20 providers of sales tax revenue are and correct, we cannot disclose those on an individual basis, but we could certainly take a look at them in the aggregate and determine if it is a particular industry or particular region or particular area of the City that is responsible for that and that is what we anticipate doing as we move forward.

**Chair Turner:** I just have one question Chris, when do we anticipate the Electric Fund to at least break even?

**Chris:** If memory serves correctly, I believe based on the projections we did during the budget process, I think we are roughly 2-3 years away. I can get you the exact information on the projections that I did. It seems to me within roughly that time frame, but I don't have that committed to memory.

**Chair Turner:** It's going to take that long for the rate increases to pass through, plus hopefully not too many unanticipated expenses.

**Chris:** Correct.

**Ald. Lemke:** We are still lower than Commonwealth Edison in our neighbor communities that that have full Edison services.

**Chris:** Yes we are. In terms of the Electric Fund and the utilities in general.

**6. Executive Session**

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

**7. Additional Items - None**

**8. Adjournment**

Motion by Ald. Stellato, second by Silkaitis to adjourn meeting at 7:27 p.m.

**Voice Vote:** Unanimous; Nays: None; Absent: Lewis. Chair Turner did not vote as Chairman.

**Motion Carried.**