

**AGENDA
CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
ALD. JIM MARTIN, CHAIR**

**TUESDAY, FEBRUARY 19, 2013
IMMEDIATELY FOLLOWING CITY COUNCIL MEETING
CITY COUNCIL CHAMBERS
2 E. MAIN ST.**

- 1. Call to Order**
- 2. Roll Call**
- 3. Omnibus Vote**
Budget Transfer – January 2013
- 4. Community Development Department**
 - a. Recommendation to approve the purchase of a 2013 Ford Escape and to approve an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles (2001 Chevrolet Blazer).
- 5. Finance Department**
 - a. Monthly Update regarding City's Financial Results for December 2012 – Information Only.
- 6. City Administrator's Office**
 - a. Recommendation to approve a Resolution to Adopt Legislative Positions and Priorities for the City of St. Charles for the 2013 Legislative Session.
- 7. Executive Session**
 - Personnel
 - Pending Litigation
 - Probable or Imminent Litigation
 - Property Acquisition
 - Collective Bargaining
 - Review of Minutes of Executive Sessions
- 8. Additional Items**
- 9. Adjournment**

Budget Journal Edit Listing

FB240 Date 02/01/13
Time 06:44

USD

Page 1

Company 1000 - City of St. Charles
Budget Journal Edit Listing
For Fiscal Year 2013
FY 12/13 Revised Budget
Budget 100

USD

Journal Entry N 118 Budget Add
Status History

Operator CI\jherr Adjustment Code ADD Budget Addition

Active

Line	Co	Bud	Prd	Account	SC	Debit	Credit
1	1000	100	12	200521	FB	43,000.00	
Distribution Imp-Developments							
Desc: Biosolids work-reimb from WW							
2	1000	100	12	200999	FB		43,000.00
Reimbursement For Projects							
Desc: Biosolids work-reimb from WW							

*** Totals For Journal Entry N- 118 , Source Code FB
Base: 43,000.00 Debits Credits Difference
Unit: 0.00 0.00 0.00

*** Totals For Journal Entry N- 118
Base: 43,000.00 Debits Credits Difference
Unit: 0.00 0.00 0.00

Budget Journal Edit Listing

FB240 Date 02/01/13
Time 06:44

USD

Page 2

Company 1000 - City of St. Charles
Budget Journal Edit Listing
For Fiscal Year 2013
FY 12/13 Revised Budget
Budget 100

USD

Journal Entry N 119 Budget Transfer
Status History

Operator CI\jher

Active

Line	Co	Bud	Prd	Account	SC	Debit	Credit
1	1000	100	9	100220	54189-0000 FB		300.00
Other Professional Services						Desc: For misc office supplies	
2	1000	100	9	100220	52000-0000 FB	300.00	
Office Supplies						Desc: For misc office supplies	

*** Totals For Journal Entry N- 119 , Source Code FB
Base: 300.00 Debits 300.00 Credits 300.00 Difference 0.00
Unit: 0.00

*** Totals For Journal Entry N- 119
Base: 300.00 Debits 300.00 Credits 300.00 Difference 0.00
Unit: 0.00

Budget Journal Edit Listing

FB240 Date 02/01/13
Time 06:44

USD

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Company 1000 - City of St. Charles
Budget Journal Edit Listing
For Fiscal Year 2013
FY 12/13 Revised Budget
Budget 100

USD

Journal Entry N 120 Budget Add
Status History

Operator CI\jherh Adjustment Code ADD Budget Addition

Active

Line	Co	Bud	Prd	Account	SC	Debit	Credit
1	1000	100	9	210540	54110-0000 FB	12,000.00	
				General Legal	Desc: Legal/radium removal lawsuit		
2	1000	100	9	210900	31199-0000 FB		12,000.00
				Available Resources	Desc: Legal/radium removal lawsuit		
3	1000	100	9	100650	54110-0000 FB	20,000.00	
				General Legal	Desc: Legal for TIF deferred billing		
4	1000	100	9	100900	31199-0000 FB		20,000.00
				Available Resources	Desc: Legal for TIF deferred billing		

*** Totals For Journal Entry N- 120 , Source Code FB
Base: 32,000.00 Debits Credits Difference
Unit: 0.00 0.00 0.00

*** Totals For Journal Entry N- 120
Base: 32,000.00 Debits Credits Difference
Unit: 0.00 0.00 0.00

Budget Journal Edit Listing

FB240 Date 02/01/13
Time 06:44

USD

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Company 1000 - City of St. Charles
Budget Journal Edit Listing
For Fiscal Year 2013
FY 12/13 Revised Budget
Budget 100

USD

Journal Entry N 121 Budget Add
Status History

Operator Cl\jher
Adjustment Code ADD Budget Addition

Active

Line	Co	Bud	Prd	Account	SC	Debit	Credit
1	1000	100	9	100110	54110-0000 FB	23,555.00	
					Desc: Legal invoices for Hahn Case		
2	1000	100	9	100900	31199-0000 FB		23,555.00
					Desc: Legal invoices for Hahn Case		
3	1000	100	9	200521	55180-0000 FB	25.00	
					Desc: For medical case mgmt invoice		
4	1000	100	9	200900	31199-0000 FB		25.00
					Desc: For medical case mgmt invoice		
5	1000	100	9	803500	54110-0000 FB	904.00	
					Desc: Legal for Defalco case		
6	1000	100	9	803900	31199-0000 FB		904.00
					Desc: Legal for Defalco case		

*** Totals For Journal Entry N- 121 , Source Code FB
Base: 24,484.00 Debits 24,484.00 Credits 0.00 Difference 0.00
Unit: 0.00

*** Totals For Journal Entry N- 121
Base: 24,484.00 Debits 24,484.00 Credits 0.00 Difference 0.00
Unit: 0.00

Budget Journal Edit Listing

FB240 Date 02/01/13
Time 06:44

USD

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Company 1000 - City of St. Charles
Budget Journal Edit Listing
For Fiscal Year 2013
FY 12/13 Revised Budget

USD

Journal Entry N 122 Budget Transfer
Status History

Operator CI\jherr Adjustment Code TRF Budget Transfer Active

Line	Co	Bud	Prd	Account	SC	Debit	Credit
1	1000	100	8	100511	FB	20,000.00	
Repair & Maint - Storm Sewer							
Desc: Correct FB #110-Wrong AU							
2	1000	100	8	100510	FB		20,000.00
Repair & Maint - Storm Sewer							
Desc: Correct FB #110-Wrong AU							

*** Totals For Journal Entry N- 122 , Source Code FB
Base: 20,000.00 Debits 20,000.00 Credits 20,000.00 Difference 0.00
Unit: 0.00

*** Totals For Journal Entry N- 122
Base: 20,000.00 Debits 20,000.00 Credits 20,000.00 Difference 0.00
Unit: 0.00

Budget Journal Edit Listing

FB240 Date 02/01/13
Time 06:44

USD

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Company 1000 - City of St. Charles
Budget Journal Edit Listing
For Fiscal Year 2013
FY 12/13 Revised Budget
Budget 100

USD

Journal Entry N 123 Budget Addition
Status History

Operator CI\jherr Adjustment Code ADD Budget Addition Active

Line	Co	Bud	Prd	Account	SC	Debit	Credit
1	1000	100	9	100400	FB	562.00	
OT - Other						Desc: Retm for OT for MABAS training	
2	1000	100	9	100999	FB		562.00
Billable Fire Services						Desc: Retm for OT for MABAS training	
3	1000	100	9	200521	FB		13,489.00
Liability Claims						Desc: Medical bills/Baumgardner case	
4	1000	100	9	200900	FB		13,489.00
Available Resources						Desc: Medical bills/Baumgardner case	

*** Totals For Journal Entry N- 123 , Source Code FB
Base: 14,051.00 Debits 14,051.00 Credits 14,051.00 Difference 0.00
Unit: 0.00

*** Totals For Journal Entry N- 123
Base: 14,051.00 Debits 14,051.00 Credits 14,051.00 Difference 0.00
Unit: 0.00

Budget Journal Edit Listing

FB240 Date 02/01/13
Time 06:44

Company 1000 - City of St. Charles
Budget Journal Edit Listing
For Fiscal Year 2013
FY 12/13 Revised Budget
USD

Journal Entry N 124 Budget Add
Status History

Operator CI\jherri Adjustment Code ADD Budget Addition Active

Line	Co	Bud	Prd	Account	SC	Debit	Credit
1	1000	100	9	340800	57311-0000 FB	5,390.00	
Transfer to General Fund							
2	1000	100	8	340900	31199-0000 FB		5,390.00
Available Resources							
Desc: Foreign Fire Transfer to GF							

*** Totals For Journal Entry N- 124 , Source Code FB
Base: Debits 5,390.00 Credits 5,390.00 Difference 0.00
Unit: 0.00

*** Totals For Journal Entry N- 124
Base: Debits 5,390.00 Credits 5,390.00 Difference 0.00
Unit: 0.00

Budget Journal Edit Listing

FB240 Date 02/01/13

Time 06:44

USD

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Company 1000 - City of St. Charles
Budget Journal Edit Listing
For Fiscal Year 2013
Budget 100 FY 12/13 Revised Budget

USD

Journal Entry N 125 Budget Transfers
Status History

Operator CI\jherr Adjustment Code TRF Budget Transfer

Active

Line	Co	Bud	Prd	Account	SC	Debit	Credit
1	1000	100	9	100650	FB		1,750.00
Printing							
Desc: For postage for Restaurant Wk							
2	1000	100	9	100650	FB	1,750.00	
Postage							
Desc: For postage for Restaurant Wk							

*** Totals For Journal Entry N- 125 , Source Code FB
Base: 1,750.00 Credits 1,750.00 Difference 0.00
Unit: 0.00

*** Totals For Journal Entry N- 125
Base: 1,750.00 Credits 1,750.00 Difference 0.00
Unit: 0.00

Budget Journal Edit Listing

FB240 Date 02/01/13

Time 06:44

Company 1000 - City of St. Charles
 Budget Journal Edit Listing
 For Fiscal Year 2013
 Budget 100 FY 12/13 Revised Budget USD

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Journal Entry N 126 Budget Add
 Status History

Operator CR\jherr Adjustment Code ADD Budget Addition Active

Line	Co	Bud	Prd	Account	SC	Debit	Credit	Difference
1	1000	100	9	513600	FB	236,000.00		
Structures and Improvements								
Desc: For purchase of George's bldg								
2	1000	100	9	513900	FB		236,000.00	
Available Resources								
Desc: For purchase of George's bldg								
3	1000	100	9	803300	FB	2,100.00		
Liability Claims								
Desc: Liability claim-Valencia								
4	1000	100	9	803900	FB		2,100.00	
Available Resources								
Desc: Liability claim-Valencia								
5	1000	100	9	210541	FB	1,205.00		
Liability Claims								
Desc: Liability Claim-Forst								
6	1000	100	9	210900	FB		1,205.00	
Available Resources								
Desc: Liability Claim-Forst								

*** Totals For Journal Entry N- 126 , Source Code FB
 Base: 239,305.00 Debits 239,305.00 Credits 0.00 Difference 0.00
 Unit: 0.00

*** Totals For Journal Entry N- 126
 Base: 239,305.00 Debits 239,305.00 Credits 0.00 Difference 0.00
 Unit: 0.00

Budget Journal Edit Listing

FB240 Date 02/01/13

Time 06:44

USD

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Company 1000 - City of St. Charles
Budget Journal Edit Listing
For Fiscal Year 2013
Budget 100 FY 12/13 Revised Budget

USD

Journal Entry N 127 Budget Transfer
Status History

Operator CI\jherr Adjustment Code TRF Budget Transfer

Active

Line	Co	Bud	Prd	Account	SC	Debit	Credit
1	1000	100	10	100110	FB		7,700.00
Consulting Services Desc: For hosted services for app							
2	1000	100	10	100110	FB	7,700.00	
Hosted and Hosting Services Desc: For hosted services for app							

*** Totals For Journal Entry N- 127 , Source Code FB
Base: 7,700.00 Credits 7,700.00 Difference 0.00
Unit: 0.00

*** Totals For Journal Entry N- 127
Base: 7,700.00 Debits 7,700.00 Credits 7,700.00 Difference 0.00
Unit: 0.00

*** Totals For Company 1000
Base: 387,980.00 Debits 387,980.00 Credits 387,980.00 Difference 0.00
Unit: 0.00

*** Totals For Report
Base: 387,980.00 Debits 387,980.00 Credits 387,980.00 Difference 0.00
Unit: 0.00

The revisions shown herewith have been approved by the City Council, except as noted below.

Signature

Date

Signature

Date

Signature

Date

Exceptions:



AGENDA ITEM EXECUTIVE SUMMARY

Title: Award Purchase of a 2013 Ford Escape and Online Disposal of Vehicle 1993

Presenter: Rita Tungare

Please check appropriate box:

☒ Government Operations (2/19/13) ☐ Government Services

☐ Planning & Development ☐ City Council

Estimated Cost: \$24,000 Budgeted: YES ☒ NO ☐

If NO, please explain how item will be funded:

Executive Summary:

Staff is requesting approval to purchase a 2013 Ford Escape to replace a 2001 Chevrolet Blazer (i.e. Vehicle 1993). The purchase of the new vehicle was approved in the FY12-13 budget and has also been reviewed and approved by the Fleet Management Committee. The City will be purchasing this vehicle through the Suburban Purchasing Cooperative bid and the Purchasing Division has solicited a quotation from Zimmerman Ford.

We are also requesting approval for disposal of Vehicle 1993 via Public Surplus online auction.

Attachments: *(please list)*

Ordinance

Recommendation/Suggested Action *(briefly explain)*:

1. Approve the purchase for a 2013 Ford Escape to replace vehicle # 1993.
2. Approve disposal of Vehicle 1993 to Public Surplus online auction.

For office use only:

Agenda Item Number: 4a

City of St. Charles, Illinois
Ordinance No. _____

**An Ordinance Authorizing the Sale of Items of Personal
Property Owned by the City of St. Charles**

WHEREAS, in the opinion of at least three-fourths of the Corporate authorities of the City of St. Charles, it is no longer necessary or useful to or for the best interest of the City of St. Charles to retain the personal property now owned by the City of St. Charles and hereinafter;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS AS FOLLOWS:

1. Pursuant to Illinois Compiled Statutes, 65ILCS 5/11-76-4, the City Council finds that the following personal property now owned by the City of St. Charles is no longer necessary or useful to the City of St. Charles and the best interests of the City of St. Charles will be served by its sale:

2001 Chevrolet Blazer (City #1993).

2. Pursuant to said Section 65ILCS 5/11-76-4, the Purchasing Manager be, and he is hereby authorized and directed to sell the foregoing described personal property now owned by the City of St. Charles to: the highest respective bidder.

3. This Ordinance shall be in full force and effect from and after its passage, by at least three-fourths of all the corporate authorities, and approval in the manner provided by law.

4. That after the adoption and approval hereof the Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with a general circulation within the City of St. Charles.

Presented to the City Council of the City of St. Charles, Illinois, this _____ day of _____, 2013.

Passed by the City Council of the City of St. Charles, Illinois, this _____ day of _____, 2013.

Approved by the Mayor of the City of St. Charles, Illinois, this _____ day of _____, 2013.

Ordinance No. _____
Page 2

Donald P. DeWitte, Mayor

Attest:

City Clerk

Council Vote:

Ayes:

Nays:

Absent:

Abstain:

APPROVED AS TO FORM:

City Attorney

DATE: _____

RBW:cjb

ordinances\trade in 2-
1/25/13



AGENDA ITEM EXECUTIVE SUMMARY

Title: Monthly Summary Report of Financial Operations

Presenter: Chris Minick

Please check appropriate box:

X	Government Operations (2/19/13)		Government Services
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:		Budgeted:	YES	X	NO	
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If NO, please explain how item will be funded:

Executive Summary:

A brief summary of the financial results for December 2012 for the City's main operating funds will be presented. A comparison of actual amounts to budget amounts and major financial trends will be discussed.

Attachments: *(please list)*

Narrative Explanation
Summary Spreadsheets

Recommendation / Suggested Action *(briefly explain)*:

Discussion and presentation only

For office use only:

Agenda Item Number: 5a

February 1, 2013

December 2012 Monthly Financial Results

In an effort to improve communications regarding the City's financial results, we have consolidated and simplified the various financial reports provided to City Council as well as City employees. The monthly City Council financial report, the quarterly Financial Snapshot and the quarterly Employee Financial Report have been combined into one user friendly financial report. It is our goal to provide meaningful financial data in a format that is easy to read and understand. This new report will be prepared monthly and will be presented to City Council as well as made available to all City employees.

It is important to note that the results are presented on the cash basis of accounting (revenues are booked when cash is received and expenditures are booked when cash is disbursed). The City will convert results to a modified accrual basis of accounting (revenues are recognized when available and expenses are recognized as the liability is incurred) as required by generally accepted accounting principles. This conversion takes place during the fiscal year end audit process.

The report consists of 3 sections:

1. A brief narrative that summarizes the financial highlights for the quarter. The narrative follows the overview of the report format.
2. Charts and graphs that give a view of the financial performance of the City's General Fund, Electric Fund, Water Fund and Wastewater Fund.
3. Summary financial statements that document the status of the City's General Fund, Electric Fund, Water Fund, and Wastewater Fund.

Any questions regarding this report may be submitted to your department director, Chris Minick, or Brian Townsend.

Overview of the Report

Charts

The Charts section consists of information that was previously presented in the quarterly snapshot report. These charts are intended to give a quick, high-level summary of the financial performance of each of the major revenue and expenditure streams and the individual funds.

Chart #1 is a summary of Revenues for each of the 4 major operating funds: General Fund, Electric Fund, Water Fund and Wastewater Fund. Chart #1 compares the current year revised budgeted amount, the current year annual forecast amount, and the previous fiscal year's actual amount of revenue.

Chart #2 is a summary of Expenditures for each of the 4 major operating funds. It also compares the current year annual revised budget, the current year annual forecast amount, and the previous fiscal year's actual expenditures.

Chart #3 highlights the Top 7 Revenue Sources of the General Fund, the City's main operating fund. It includes the current year annual revised budget, the current year forecast amount, and the previous fiscal year's actual.

Charts #4-7 are a comparison of Revenues and Expenditures for each of the 4 major operating funds. It also compares the current year revised budget, the current year forecast, and the previous year's actual.

Reports

The reports reflect the monthly financial results for each of the City's four main operating funds. Each fund is represented on a separate page. These reports present the same information that had been contained in the employee financial report. These reports have been summarized somewhat for ease and convenience of use. Additionally, one-time revenue sources and expenditures are no longer segregated but appear in the proper revenue or expense category for ease of use and to present the information in a more understandable format.

The reports include a revenue section, an expenditure section, and a net surplus or (deficit). The revenue section is made up of the major revenue sources for that fund. Expenditures are broken down by Personal Services, Commodities, Contractual Services, Other Operating Expenses, Departmental Allocations, Capital, Debt Service, and Transfers Out.

The surplus or deficit is the net result of revenues over or under expenditures.

The columns are presented uniformly throughout the reports. Below is a description of each column:

Column 1 (Original Budget) represents the current fiscal year's original budget as passed in April.

Column 2 (Revised Budget) reflects the original budget and the impact of any budgetary transfers, additions, or deletions that have occurred since the beginning of the fiscal year. This is the budget as it stands as of the end of the month.

Column 3 (Year to Date (YTD) Actual) reflects the actual revenues received or expenses incurred for the current fiscal year through the end of the month. This column reflects the actual operating results of the fund for the fiscal year to date.

Column 4 (YTD Actual vs Budget %) calculates what percentage of the revised annual budget has been received or spent for the fiscal year to date. It is a percentage determined by Column 3 divided by Column 2.

Column 5 (Prior YTD Actual) reflects the revenues received or expenses incurred as of the same month from the prior fiscal year.

Column 6 (Inc/Dec from Prior Year %) calculates how our current YTD results compare with prior YTD results for the same period. Percentages greater than 100 indicate that we have received/spent more in the current fiscal year to date than in the prior fiscal year; whereas percentages below 100 indicate that we have received/spent less in the current year than in the previous year. It is a percentage determined by taking the difference between Column 3 and Column 5 and then dividing that amount by Column 5).

Column 7 (Fiscal Year Forecast) represents the forecasted financial results based on the year-to-date actual amounts reflected in Column 3 and the anticipated results of the remainder of the fiscal year. In other words, this column reflects our current projection of the financial results for each line item for the fiscal year. The City will place great importance on the numbers in this column to track and evaluate the anticipated results of operations for the fiscal year. The amounts in this column are tracked and analyzed to try to discern any trends that would require the City to take action during the fiscal year.

Column 8 (Forecast vs Revised Budget) is the difference between the forecasted amount and the revised budget. Positive differences indicate that we are projected to receive/spend more than the revised annual budget. Negative differences indicate that we are projected to receive/spend less than the revised annual budget for the fiscal year.

Column 9 (Forecast vs Budget %) reflects the same information as in Column 8, but in percentage format. Percentages greater than 100 indicate that we are projected to receive/spend more than the revised annual budget whereas percentages less than 100 indicate that we are projected to receive/spend less than the revised annual budget. It is a percentage determined by Column 8 divided by Column 2).

Column 10 (FY 11-12 Actual) represents the total amount of revenue received or expense incurred for the previous fiscal year for the line item indicated. It is possible that this number will change between the months of May through October as the results of the City's annual audit are finalized. The City will utilize audited numbers in this column as soon as they become available.

Discussion of December 2012 Results

General Fund

The General Fund is where the vast majority of City operations are accounted for. This includes almost all of the services provided by the City, as well as expenses needed to support most departments and employees.

Through December, General Fund revenues are projected to be slightly below the revised budget. The City's largest revenue stream, sales and use tax, is trending approximately 4.0% lower than budget projections. Conversely, income tax disbursements from the State of Illinois, the electric franchise fee revenue, hotel tax revenues, telecommunications tax revenue and alcohol tax revenues are trending above budget expectations.

Although sales tax revenues are currently short of budget projections for the fiscal year, the increasing trend in this revenue source is encouraging. Year-to-date sales tax receipts are \$339,868 or 3.6% higher than last fiscal year-to-date receipts. Sales tax revenues are the General Fund's largest single revenue source and are forecast to account for approximately 38% of General Fund revenues. Total General Fund revenues for the current fiscal year are slightly ahead of revenues received for the same time period last fiscal year by 3.6%.

Forecast expenditures through December are currently 5.1% below the revised budget. All expenditure categories are forecasted to be equal to or below the revised budget with commodities and contractual services currently having the largest percent of "savings", 8.3% and 12.4% respectively.

As of December 31, the General Fund is projected to end the year with a slight surplus of \$288,609. This compares to a projected deficit of \$724,560 at the time the budget was approved. This projected surplus is made possible through the aggressive management of the City's expenditures as reflected in the amounts above. The City's practice of aggressive expenditure management provides an extra measure of fiscal conservatism during uncertain economic times by offsetting any revenue shortfalls that the General Fund may experience.

It is extremely important to bear in mind that continued vigilance in monitoring revenues and expenditures will be crucial to maintain the City's fiscal health.

Electric Fund

Year-to-date electric sales are higher than the prior year-to-date sales by almost \$2.0 million, or 5.9%, and are projected to exceed the revised budget by 0.6% for the fiscal year. This is due to the unusually hot temperatures experienced for most of this past summer. Operating Expenses are projected to be under budgeted amounts by \$1.3 million for the year. Personal services, commodities and contractual services are all projected to be under budget at this point in time. Other operating expenses are projected to be higher than the revised budget due to additional franchise fees paid to the General Fund, based on the increase in electric sales. These forecasted amounts will result in a projected operating surplus of approximately \$0.5 million for the fiscal year. This compares to a projected deficit of \$2.7 million at the time the budget was approved.

The rate structure for all City utilities was analyzed as part of the budget process for fiscal year 2011-2012. Staff recommended changes to the rate structure for that fiscal year which were essentially consistent with the rate study that was completed in April of 2011. As time has gone on, and the City's electric consumption patterns have changed, costs for wholesale power have increased. The rate structure had not kept pace with both the rates that the City is charged for wholesale power as well as the cost increases that have occurred because of the manner in which customer consumption trends have changed. The City Council has directed staff to take a long term approach to rectify that situation and assure that the City's rate structure is adequate to provide for operating and capital needs of the utility system. This process was continued during fiscal year 2012-2013 when additional rate structure changes were incorporated into each of the utilities including the Electric Fund.

The 2011 rate study suggested changes to the City's rate structure such as increasing fixed monthly service charges for all classes of customer as well as changes to the non-summer rates. These concepts were again incorporated into the rate structure adjustments approved in April of 2012 and were effective beginning with June 2012 billings. We will continue to monitor and evaluate the impact of these adjustments and consumption patterns on the operating results for the Electric Fund. Future changes to the rate study may include a Power Cost Adjustment Factor (PCAF). Implementation of a PCAF will help to reduce the city's risk associated with fluctuations in wholesale power costs.

Water Fund

The Water Fund has also experienced a surge in user charges due to the unusually dry weather conditions that were prevalent for most of the summer. User Charges through December are 42.3% higher than the same time frame last year. For the entire year, user charges are projected to be \$553,014, or 13.4% higher than budget. Operating expenses are trending approximately 2.6% lower than budget so far this year. Almost all expense categories are trending below budget at the end of December. The slight overage in Commodities is primarily due to an increase in chemicals as a result of increased pumpage. It is currently projected that the Water Fund will end the year with a deficit of \$785,192, which is lower than the original budgeted deficit of \$1,007,848.

The water rate structure has also been adjusted as part of the rate study process that was completed during FY 11-12. Significant capital projects, like the Radium Removal project, have recently been completed in the Water Fund. The City wants to assure a rate structure adequate to allow for operating and capital cost recapture. Based on current costs, the unadjusted rate structure was not adequate to provide for operations and anticipated future capital projects. The rate adjustments approved in April of 2012 (effective with June billings) are continuing the multi-year process of rate structure adjustments to bring the revenues in line with the costs of operating the system.

Wastewater Fund

Year to date user charges in the Wastewater Fund are higher than prior year to date by 8.9%. However, user charges for the year are forecasted to be primarily in line with budget. Because wastewater billings are determined by water consumption, one would anticipate that the trends would be similar for both funds. However, the City provides a wastewater billing “credit” for summertime outdoor water use. This adjustment is based on non-summer water consumption. Regarding expenses, the approximate \$1.7 million increase between the revised budget and original budget for Capital is primarily due to capital projects that were not completed as of the end of the previous fiscal year. These projects are being funded with bond proceeds from FY 11-12. Total Wastewater expenses are forecasted to be approximately 2.0% below budget expectations.

As with the Water Fund, the rate structure is being changed over a multi-year period to assure that operating and anticipated future capital expenses can be recovered through the rates charged for services. Current results indicate that the rate structure is insufficient to meet these costs. Additionally, the City has budgeted for a major renovation and reconstruction of the existing bio-solids building. The Wastewater Fund’s rate structure was again adjusted during April of 2012 (effective with June, 2012 billings). The rate structure will again be evaluated in conjunction with the preparation of the FY 13-14 budget.

City of St. Charles
Monthly Financial Report
December 31, 2012

General Fund

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY 12-13 Original Budget	FY 12-13 Revised Budget	YTD Actual	Actual vs Budget (%)	Prior YTD Actual	Inc/(Dec) from P/Y (%)	FY 12-13 Forecast	Forecast vs Revised Budget	Forecast vs Budget (%)	FY 11-12 Actual
Revenues										
Property Taxes	\$ 12,551,106	\$ 12,551,106	\$ 12,489,303	99.5%	\$ 12,469,964	0.2%	\$ 12,551,106	\$ -	0.0%	\$ 12,474,765
Sales and Use Taxes	15,794,358	15,794,358	9,905,146	62.7%	9,565,278	3.6%	15,169,928	(624,430)	-4.0%	14,607,339
State Income Tax	2,637,920	2,637,920	1,913,809	72.5%	1,686,054	13.5%	2,793,113	155,193	5.9%	2,675,585
Electric Franchise Fee	2,434,417	2,434,417	1,743,462	71.6%	1,649,358	5.7%	2,554,935	120,518	5.0%	2,324,248
Hotel Tax	1,920,000	1,920,000	1,404,525	73.2%	1,348,859	4.1%	2,044,525	124,525	6.5%	1,749,895
Telecommunication Tax	1,340,000	1,340,000	905,720	67.6%	827,291	9.5%	1,352,384	12,384	0.9%	1,289,388
Alcohol Tax	962,800	962,800	678,784	70.5%	653,468	3.9%	999,720	36,920	3.8%	977,452
Other	3,049,141	3,084,923	1,910,269	61.9%	1,666,361	14.6%	2,895,687	(189,236)	-6.1%	2,600,878
Total Revenues	\$ 40,689,742	\$ 40,725,524	\$ 30,951,018	76.0%	\$ 29,866,633	3.6%	\$ 40,361,398	\$ (364,126)	-0.9%	\$ 38,699,550
Expenditures										
Personal Services	\$ 26,481,227	\$ 26,526,525	\$ 18,611,022	70.2%	\$ 19,068,480	-2.4%	\$ 25,831,972	\$ (694,553)	-2.6%	\$ 25,798,118
Commodities	1,602,360	1,596,930	707,282	44.3%	695,285	1.7%	1,464,541	(132,389)	-8.3%	1,278,831
Contractual	9,692,239	10,367,107	5,764,104	55.6%	6,168,654	-6.6%	9,077,136	(1,289,971)	-12.4%	9,101,776
Other Operating Expenses	1,421,239	1,422,462	1,325,574	93.2%	1,278,612	3.7%	1,381,499	(40,963)	-2.9%	1,705,042
Departmental Allocations	(4,925,583)	(4,925,583)	(3,283,728)	66.7%	(3,188,152)	3.0%	(4,925,583)	-	0.0%	(4,782,228)
Capital	373,179	473,583	216,787	45.8%	429,977	-49.6%	473,583	-	0.0%	577,896
Debt Service	4,584	4,584	3,439	75.0%	15,639	-78.0%	4,584	-	0.0%	16,785
Transfers Out	6,765,057	6,765,057	5,266,708	77.9%	4,668,198	12.8%	6,765,057	-	0.0%	4,882,768
Total Expenditures	\$ 41,414,302	\$ 42,230,665	\$ 28,611,188	67.7%	\$ 29,136,693	-1.8%	\$ 40,072,789	\$ (2,157,876)	-5.1%	\$ 38,578,988
Surplus (Deficit)	\$ (724,560)	\$ (1,505,141)	\$ 2,339,830		\$ 729,940		\$ 288,609	\$ 1,793,750		\$ 120,562

City of St. Charles
Monthly Financial Report
December 31, 2012

Electric Fund

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY 12-13 Original Budget	FY 12-13 Revised Budget	YTD Actual	YTD Actual vs Budget (%)	Prior YTD Actual	Inc/(Dec) from P/Y (%)	FY 12-13 Forecast	Forecast vs Revised Budget	Forecast vs Budget (%)	FY 11-12 Actual
Revenues										
User Charges	\$ 50,360,079	\$ 52,052,259	\$ 35,950,914	69.1%	\$ 33,960,899	5.9%	\$ 52,373,807	\$ 321,548	0.6%	\$ 48,099,305
Connection Charges	37,650	37,650	41,090	109.1%	43,898	-6.4%	53,636	15,986	42.5%	63,581
MV/Equip/WC Reserve	406,303	406,303	406,302	100.0%	424,248	-4.2%	406,302	(1)	0.0%	424,248
Reimbursement for Projects	-	232,279	180,191	77.6%	578,277	-68.8%	223,191	(9,088)	-3.9%	552,222
Other	277,700	290,000	319,478	110.2%	201,849	58.3%	422,734	132,734	45.8%	(1,052,695)
Bond Proceeds	2,050,000	2,077,022	962,022	46.3%	-	0.0%	2,077,022	-	0.0%	-
Transfers In	267,994	267,994	61,664	23.0%	61,664	0.0%	267,994	-	0.0%	216,773
Total Revenues	\$ 53,399,726	\$ 55,363,507	\$ 37,921,661	68.5%	\$ 35,270,835	7.5%	\$ 55,824,686	\$ 461,179	0.8%	\$ 48,303,434
Expenses										
Personal Services	\$ 3,491,335	\$ 3,508,989	\$ 2,238,422	63.8%	\$ 2,349,304	-4.7%	\$ 3,278,012	\$ (230,977)	-6.6%	\$ 2,136,875
Commodities	309,848	325,433	155,119	47.7%	192,644	-19.5%	285,682	(39,751)	-12.2%	288,473
Contractual	40,199,788	40,308,491	27,438,684	68.1%	25,934,373	5.8%	39,249,326	(1,059,165)	-2.6%	37,512,687
Other Operating Expenses	5,255,622	5,258,071	3,601,366	68.5%	3,500,707	2.9%	5,322,482	64,411	1.2%	8,309,824
Departmental Allocations	1,870,948	1,870,948	1,247,288	66.7%	1,211,008	3.0%	1,870,916	(32)	0.0%	1,193,642
Capital	3,496,380	3,828,859	1,285,117	33.6%	1,753,834	-26.7%	3,828,859	-	0.0%	-
Debt Service	1,063,615	1,063,615	1,063,614	100.0%	1,220,204	-12.8%	1,063,615	-	0.0%	345,494
Transfers Out	381,891	381,891	381,891	100.0%	357,922	6.7%	381,891	-	0.0%	357,922
Total Expenses	\$ 56,069,427	\$ 56,546,297	\$ 37,411,501	66.2%	\$ 36,519,996	2.4%	\$ 55,280,783	\$ (1,265,514)	-2.2%	\$ 50,144,917
Surplus (Deficit)	\$ (2,669,701)	\$ (1,182,790)	\$ 510,160		\$ (1,249,161)		\$ 543,903	\$ 1,726,693		\$ (1,841,483)

City of St. Charles
Monthly Financial Report
December 31, 2012

Water Fund

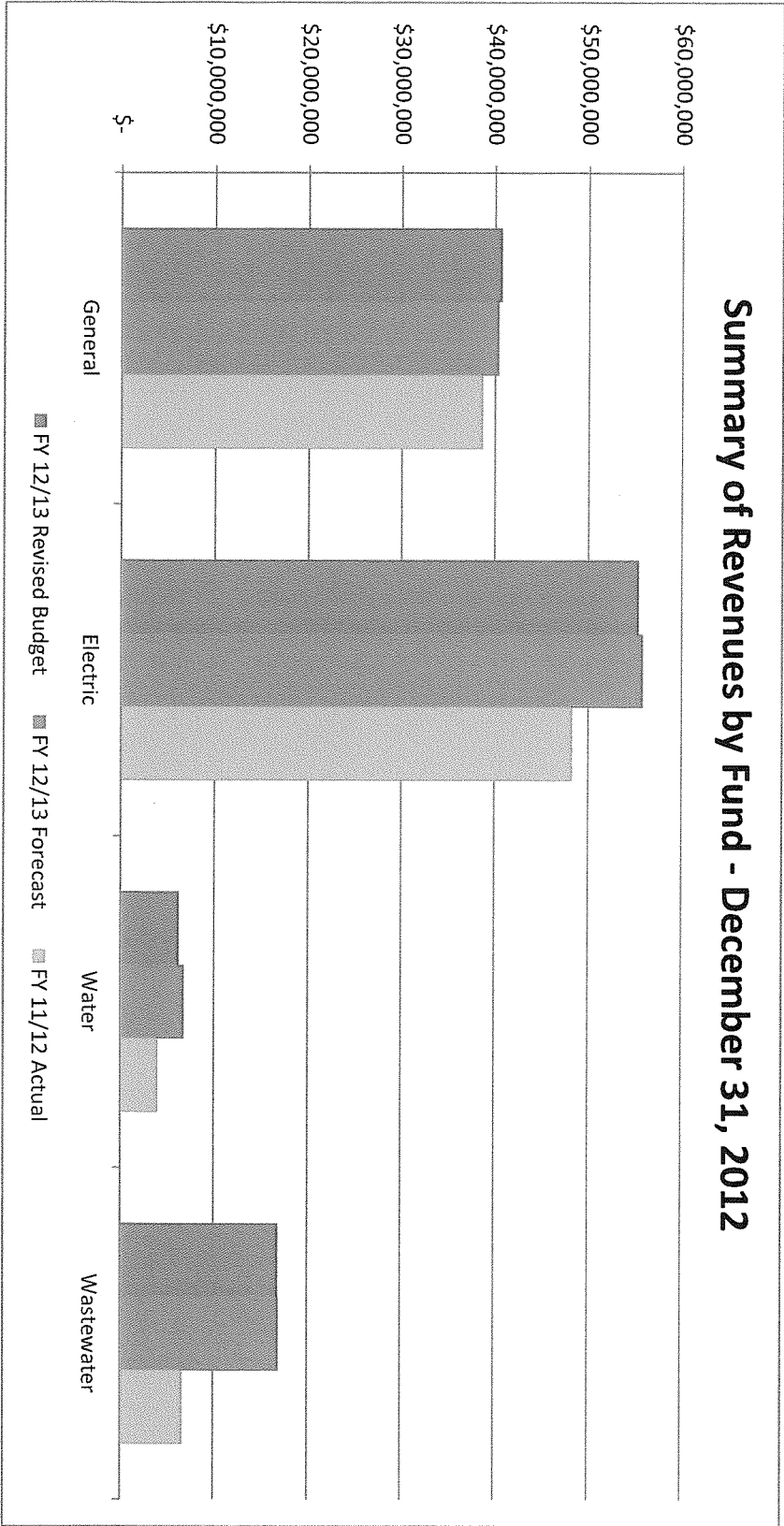
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY 12-13 Original Budget	FY 12-13 Revised Budget	YTD Actual	YTD Actual vs Budget (%)	Prior YTD Actual	Inc/(Dec) from P/Y (%)	FY 12-13 Forecast	Forecast vs Revised Budget	Forecast vs Budget (%)	FY 11-12 Actual
Revenues										
User Charges	\$ 4,119,836	\$ 4,119,836	\$ 3,404,770	82.6%	\$ 2,392,458	42.3%	\$ 4,672,850	\$ 553,014	13.4%	\$ 3,502,786
Connection Charges	19,992	19,992	28,484	142.5%	25,170	13.2%	35,148	15,156	75.8%	33,270
MV/Equip/WC Reserve	175,529	175,529	175,530	100.0%	160,891	9.1%	175,530	1	0.0%	160,891
Bond Proceeds	1,080,000	1,103,665	838,665	76.0%	1,342,038	0.0%	1,103,665	-	0.0%	-
Donations/Contributions	650,000	650,000	-	0.0%	-	0.0%	650,000	-	0.0%	144,438
Other	158,448	158,448	134,053	84.6%	132,202	1.4%	184,474	26,026	16.4%	180,996
Total Revenues	\$ 6,203,805	\$ 6,227,470	\$ 4,581,502	73.6%	\$ 4,052,759	13.0%	\$ 6,821,667	\$ 594,197	9.5%	\$ 4,022,381
Expenses										
Personal Services	\$ 1,486,338	\$ 1,486,625	\$ 1,016,226	68.4%	\$ 998,163	1.8%	\$ 1,448,760	\$ (37,865)	-2.5%	\$ 1,402,710
Commodities	410,236	418,759	300,142	71.7%	237,169	26.6%	446,543	27,784	6.6%	439,663
Contractual	923,020	950,135	386,328	40.7%	768,282	-49.7%	789,861	(160,274)	-16.9%	938,405
Other Operating Expenses	232,472	242,181	158,785	65.6%	130,267	21.9%	207,352	(34,829)	-14.4%	1,145,738
Departmental Allocations	845,035	845,035	563,360	66.7%	546,952	3.0%	845,027	(8)	0.0%	820,428
Capital	2,468,537	3,023,301	623,282	20.6%	2,226,641	-72.0%	3,023,301	-	0.0%	1
Debt Service	710,927	710,927	568,319	79.9%	309,265	83.8%	710,927	-	0.0%	202,313
Transfers Out	135,088	135,088	135,088	100.0%	121,360	11.3%	135,088	-	0.0%	121,360
Total Expenses	\$ 7,211,653	\$ 7,812,051	\$ 3,751,530	48.0%	\$ 5,338,099	-29.7%	\$ 7,606,859	\$ (205,192)	-2.6%	\$ 5,070,618
Surplus (Deficit)	\$ (1,007,848)	\$ (1,584,581)	\$ 829,972		\$ (1,285,340)		\$ (785,192)	\$ 799,389		\$ (1,048,237)

City of St. Charles
Monthly Financial Report
December 31, 2012

Wastewater Fund

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	FY 12-13 Original Budget	FY 12-13 Revised Budget	YTD Actual	YTD Actual vs Budget (%)	Prior YTD Actual	% Inc/(Dec) from P/Y	FY 12-13 Forecast	Forecast vs Revised Budget	Forecast vs Budget (%)	FY 11-12 Actual
Revenues										
User Charges	\$ 6,673,838	\$ 6,673,838	\$ 4,577,608	68.6%	\$ 4,202,728	8.9%	\$ 6,692,235	\$ 18,397	0.3%	\$ 6,131,400
Connection Charges	25,000	25,000	47,986	191.9%	62,338	-23.0%	56,322	31,322	125.3%	77,001
MV/Equip/MC Reserve	285,042	285,042	285,042	100.0%	294,477	-3.2%	285,042	-	0.0%	294,477
Bond/IEPA Loan Proceeds	9,536,000	9,869,685	-	0.0%	-	0.0%	9,869,685	-	0.0%	-
Other	28,500	28,500	34,101	119.7%	39,204	-13.0%	43,601	15,101	53.0%	182,074
Total Revenues	\$ 16,548,380	\$ 16,882,065	\$ 4,944,737	29.3%	\$ 4,598,747	7.5%	\$ 16,946,885	\$ 64,820	0.4%	\$ 6,684,952
Expenses										
Personal Services	\$ 1,889,459	\$ 1,894,153	\$ 1,331,280	70.3%	\$ 1,261,373	5.5%	\$ 1,877,997	\$ (16,156)	-0.9%	\$ 1,822,280
Commodities	303,565	313,594	153,798	49.0%	186,115	-17.4%	260,836	(52,758)	-16.8%	284,200
Contractual	2,057,401	2,255,861	852,055	37.8%	1,043,439	-18.3%	1,974,669	(281,192)	-12.5%	1,446,203
Other Operating Expenses	244,431	326,764	244,964	75.0%	217,603	12.6%	289,554	(37,210)	-11.4%	1,925,408
Departmental Allocations	1,251,308	1,251,308	834,208	66.7%	809,944	3.0%	1,251,308	-	0.0%	1,214,916
Capital	9,848,247	11,546,444	625,303	5.4%	1,600,380	-60.9%	11,546,444	-	0.0%	-
Debt Service	1,554,485	1,554,485	1,554,485	100.0%	1,666,158	-6.7%	1,554,485	-	0.0%	430,861
Transfers Out	246,093	246,093	246,094	100.0%	230,276	6.9%	246,093	-	0.0%	276,176
Total Expenses	\$ 17,394,989	\$ 19,388,702	\$ 5,842,187	30.1%	\$ 7,015,288	-16.7%	\$ 19,001,386	\$ (387,316)	-2.0%	\$ 7,400,044
Surplus (Deficit)	\$ (846,609)	\$ (2,506,637)	\$ (897,450)		\$ (2,416,541)		\$ (2,054,501)	\$ 452,136		\$ (715,092)

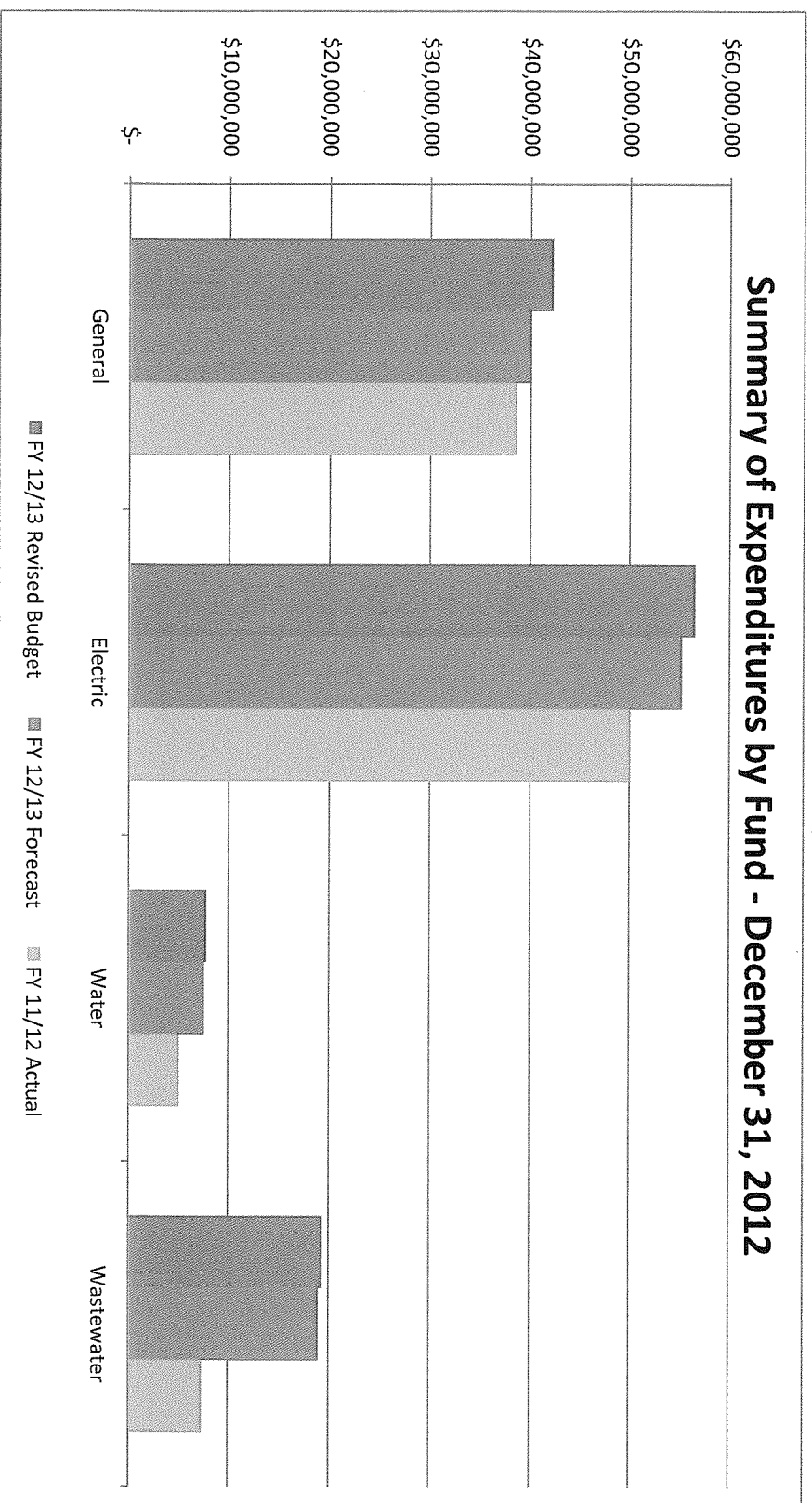
Summary of Revenues by Fund - December 31, 2012



Revenues

	FY 12/13 Revised Budget	FY 12/13 Forecast	FY 11/12 Actual
General	\$ 40,725,524	\$ 40,361,398	\$ 38,699,550
Electric	\$ 55,363,507	\$ 55,824,686	\$ 48,303,434
Water	\$ 6,227,470	\$ 6,821,667	\$ 4,022,381
Wastewater	\$ 16,882,065	\$ 16,946,885	\$ 6,684,952

Summary of Expenditures by Fund - December 31, 2012



Expenditures

	FY 12/13 Revised Budget	FY 12/13 Forecast	FY 11/12 Actual
General	\$ 42,230,665	\$ 40,072,789	\$ 38,578,988
Electric	\$ 56,546,297	\$ 55,280,783	\$ 50,144,917
Water	\$ 7,812,051	\$ 7,606,859	\$ 5,070,618
Wastewater	\$ 19,388,702	\$ 19,001,386	\$ 7,400,044

General Fund Top 7 Revenue Sources - As of December 31, 2012

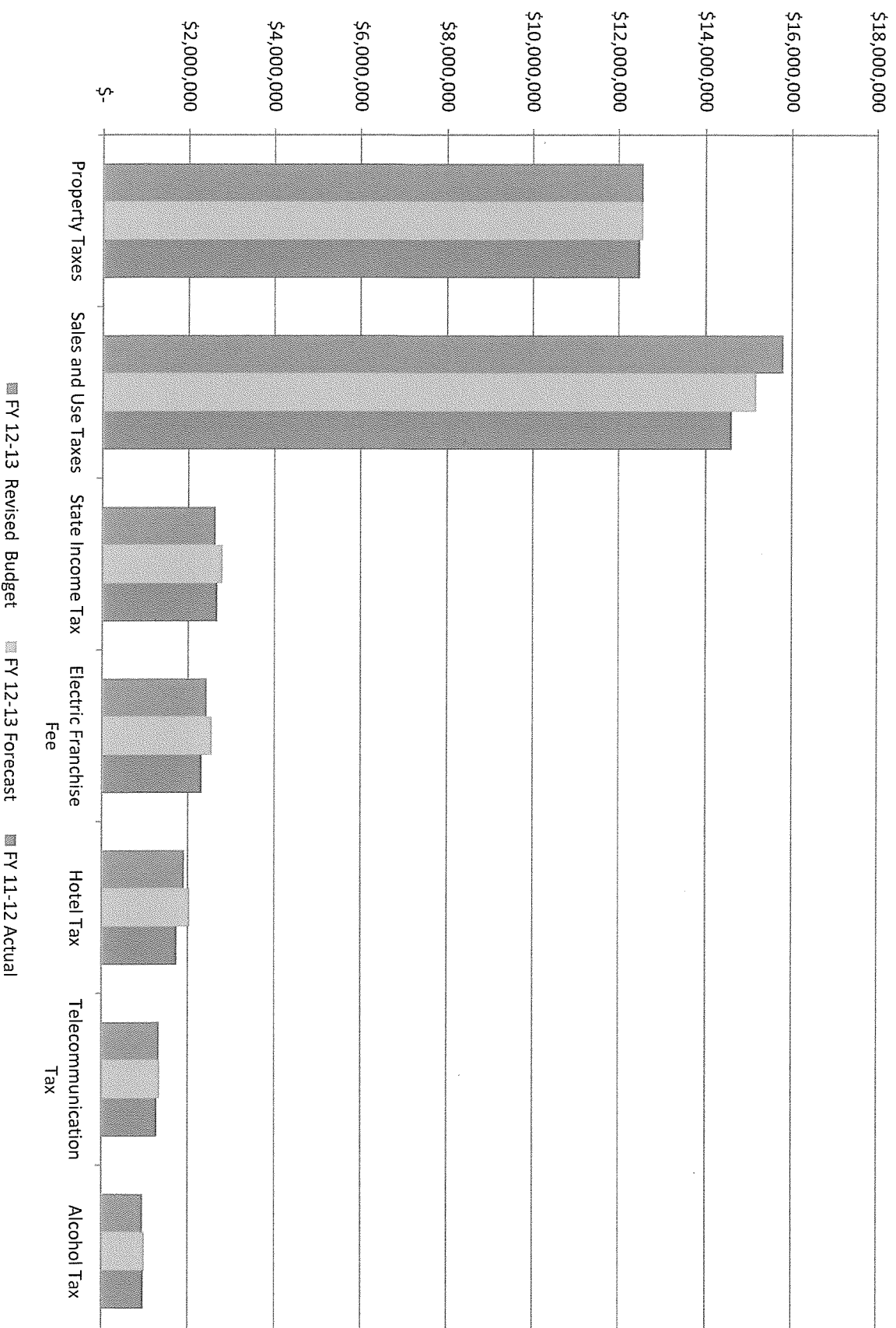
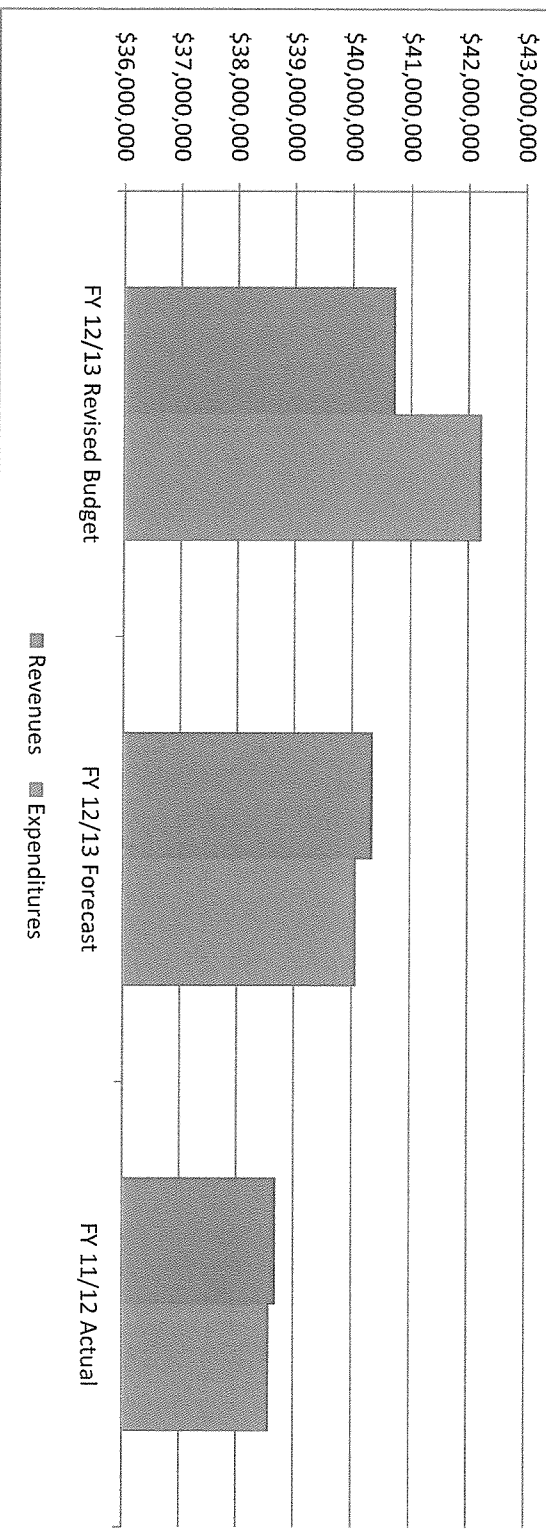


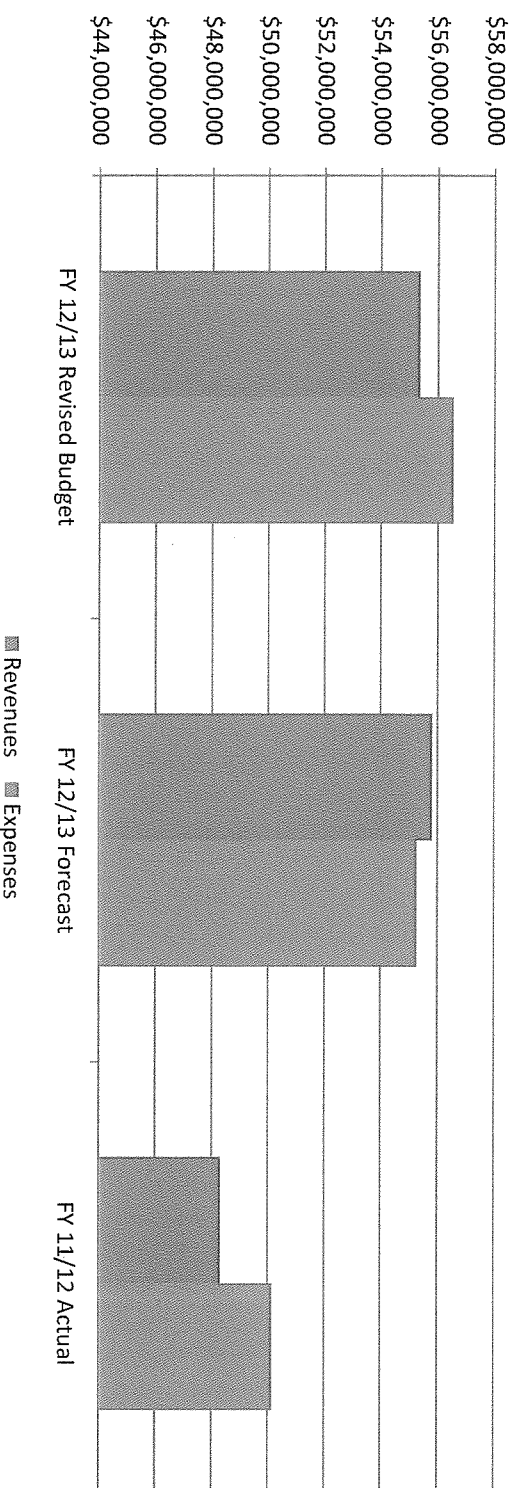
Chart 3

General Fund Revenues vs Expenditures - December 31, 2012



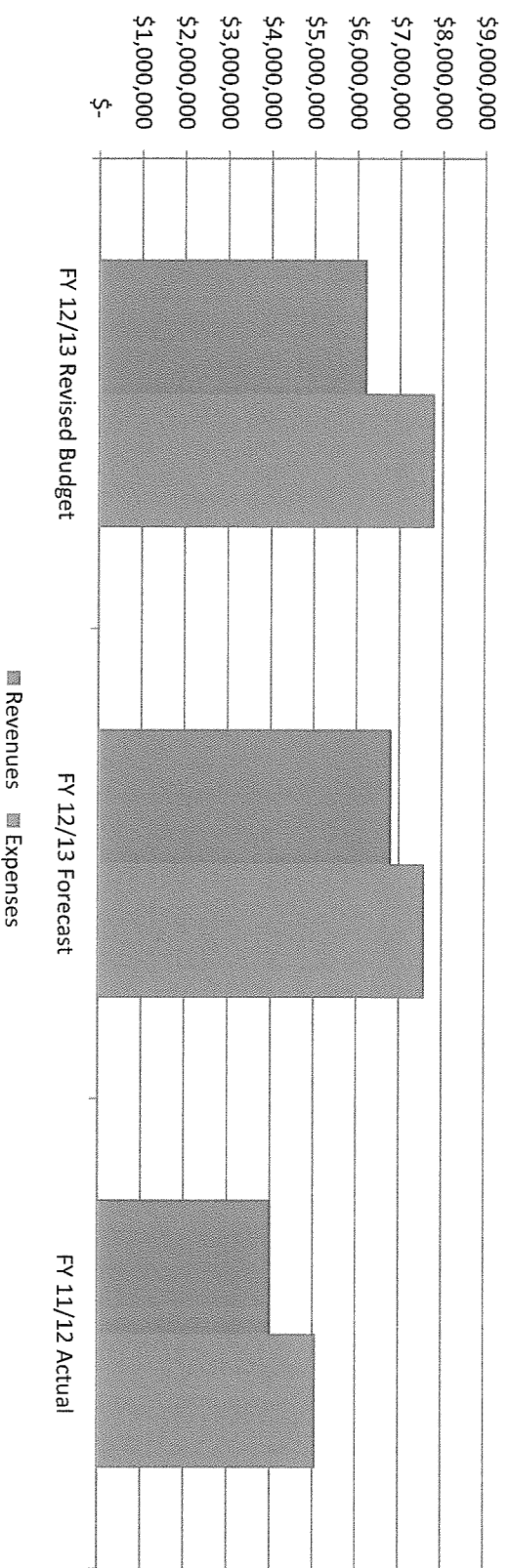
	General Fund		
	FY 12/13 Revised Budget	FY 12/13 Forecast	FY 11/12 Actual
Revenues	\$ 40,725,524	\$ 40,361,398	\$ 38,699,550
Expenditures	\$ 42,230,665	\$ 40,072,789	\$ 38,578,988
Surplus/Deficit	\$ (1,505,141)	\$ 288,609	\$ 120,562

Electric Fund Revenues vs Expenses - December 31, 2012



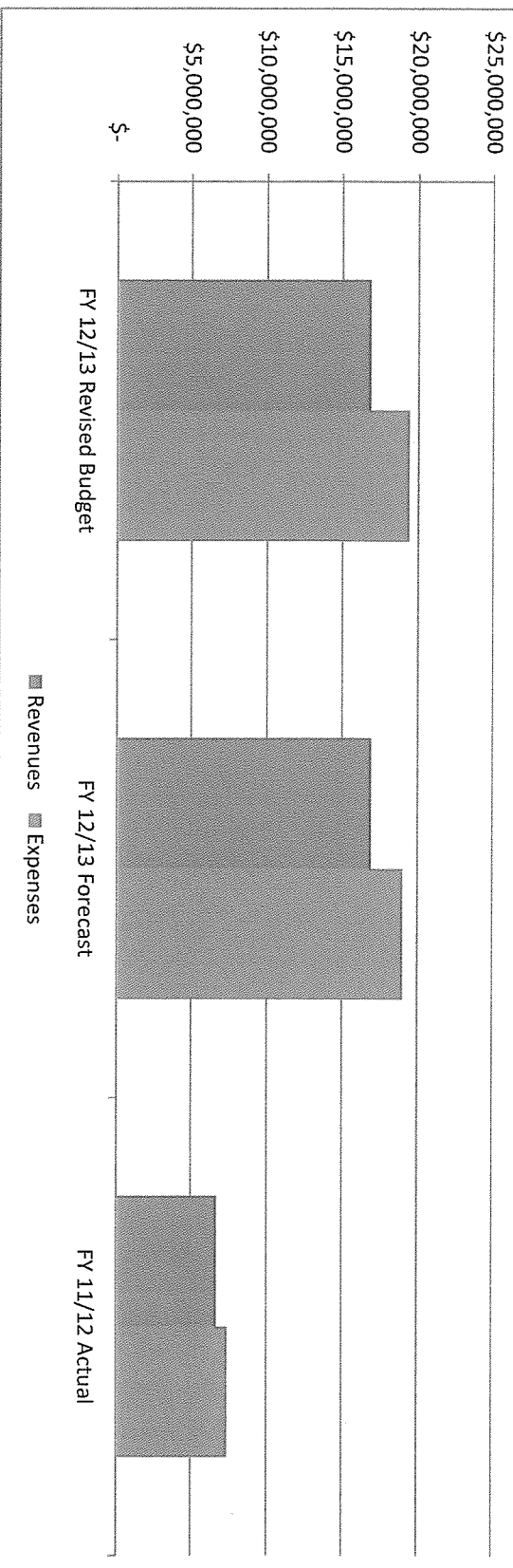
Electric Fund			
	FY 12/13 Revised Budget	FY 12/13 Forecast	FY 11/12 Actual
Revenues	\$ 55,363,507	\$ 55,824,686	\$ 48,303,434
Expenses	\$ 56,546,297	\$ 55,280,783	\$ 50,144,917
Surplus/Deficit	\$ (1,182,790)	\$ 543,903	\$ (1,841,483)

Water Fund Revenues vs Expenses - December 31, 2012



Water Fund			
	FY 12/13 Revised Budget	FY 12/13 Forecast	FY 11/12 Actual
Revenues	\$ 6,227,470	\$ 6,821,667	\$ 4,022,381
Expenses	\$ 7,812,051	\$ 7,606,859	\$ 5,070,618
Surplus/Deficit	\$ (1,584,581)	\$ (785,192)	\$ (1,048,237)

Wastewater Fund Revenues vs Expenses - December 31, 2012



Wastewater Fund				
	FY 12/13 Revised Budget	FY 12/13 Forecast	FY 11/12 Actual	
Revenues	\$ 16,882,065	\$ 16,946,885	\$ 6,684,952	
Expenses	\$ 19,388,702	\$ 19,001,386	\$ 7,400,044	
Surplus/Deficit	\$ (2,506,637)	\$ (2,054,501)	\$ (715,092)	



AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to approve a Resolution to Adopt Legislative Positions for 2013 Legislative Session
Presenter:	Brian Townsend

Please check appropriate box:

X	Government Operations (2/19/12)		Government Services
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:	N/A	Budgeted:	YES		NO	
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If NO, please explain how item will be funded:

Executive Summary:

The City of St. Charles is a member of the DuPage Mayors & Managers Conference and generally uses its legislative priorities and positions to establish the city's official stance on pieces of legislation that are considered by the General Assembly. The City has received the 2013 legislative program and is recommending that the City Council approve a resolution to adopt the legislative positions for 2013.

Attachments: *(please list)*

Resolution
2013 DMMC Legislative Program document

Recommendation / Suggested Action *(briefly explain):*

Staff recommends that the Government Operations Committee recommends that the City Council approve a Resolution to adopt legislative positions for 2013 legislative session.

For office use only:

Agenda Item Number: 6a

City of St. Charles, Illinois
Resolution No. 2013 _____

**A Resolution to Adopt Legislative Positions and Priorities
for the City of St. Charles for the 2013 Legislative Session**

**Presented & Passed by the
City Council on _____**

WHEREAS, the City of St. Charles is a member of the DuPage Mayors and Managers Conference; and

WHEREAS, the DuPage Mayors and Managers Conference develops its annual Legislative Action Program with the goal of establishing a comprehensive platform on legislative issues in order to protect and benefit the interests of its member municipalities, residents, and businesses in these municipalities, and the region generally; and

WHEREAS, on January 16, 2013, the DuPage Mayors and Managers Conference voted unanimously to adopt its 2014 Legislative Action Program, attached hereto; and

WHEREAS, the City of St. Charles will be individually benefited by formally establishing positions on legislative issues affecting municipalities, thereby giving clear direction to officials and employees of the City of St. Charles regarding legislative positions that may be represented in official capacity or on behalf of the municipality:

NOW THEREFORE, be it resolved, by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, as follows:

SECTION ONE: That the City of St. Charles hereby adopts as its legislative positions and priorities for the 2013 Legislative Session the positions, goals, and principles of the DuPage Mayors and Managers Conference's 2013 Legislative Action Program, with the exception of positions that are not applicable to City of St. Charles.

SECTION TWO: That a copy of this Resolution be forwarded to the DuPage Mayors and Managers Conference, to all state and federal legislators representing the City of St. Charles, and to the Office of the Governor.

SECTION THREE: This Resolution shall be in full force and effect upon its passage and approval.

PRESENTED to the City Council of the City of St. Charles, Illinois, this _____ day of _____, 2013.

PASSED by the City Council of the City of St. Charles, Illinois, this _____ day of _____, 2013.

APPROVED by the Mayor of the City of St. Charles, Illinois, this _____ day of _____, 2013.

Donald P. DeWitte, Mayor

ATTEST:

Nancy Garrison, City Clerk

COUNCIL VOTE:

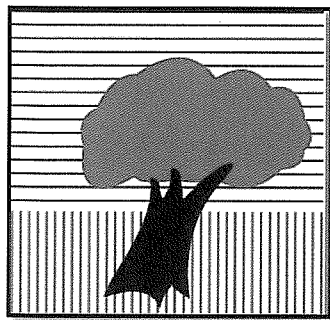
Ayes : _____

Nays : _____

Abstain : _____

Absent : _____

Legislative Action Program 2013



DuPage Mayors and Managers Conference
1220 Oak Brook Road
Oak Brook, Illinois 60523
(630) 571-0480
www.dmmc-cog.org

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Reform Pensions	
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Legislative Priorities

Legislative Priorities are those specific, immediate issues that the Conference pursues either through initiating legislation or through strong advocacy in cooperation with partner organizations. *Legislative Priorities* are our primary legislative focus as we commence this first year of the 98th General Assembly.

CRITICAL PRIORITIES

Protect the Authority of Municipalities to Manage Municipal Funds

Frequently threatened with revenue diversions and fee increases from the state, municipalities require the freedom to raise and expend municipal funds in order to provide the services most needed by their residents and businesses. Recently, municipalities have worked to protect the local portion of income tax, prevent revenue losses from sales tax “holidays,” and avert sweeps that divert local funds.

- **Require the Timely Disbursement of LGDF Funds**

The Comptroller should be required to transfer funds to the Local Government Distributive Fund (LGDF) and distribute those funds to municipalities as soon as they are received and certified. Furthermore, the state should refrain from diverting this, or any other municipal revenue, for its own programs.

- **Permit Municipalities to Collect Hotel-Motel Taxes for Permanent Residents**

The Illinois Hotel Operators’ Occupation Tax Act specifically exempts permanent residents and limits municipal hotel and motel tax revenue for people staying 30 days or longer. The Act should be amended to remove the exemption or change the definition of “permanent resident.”

- **Reject Unfunded State Mandates**

Legislation often requires communities to divert local expenditures from municipal services and use them to fund state-imposed programs. The state should not impose mandates that increase financial obligations on local governments without providing adequate funds to reimburse municipalities for these new mandates.

- **Limit the Prevailing Wage Act**

Amend the Prevailing Wage Act to exempt projects below a minimum cost threshold of \$250,000 and annually adjust the threshold by the Consumer Price Index (CPI).

Remove the Sunset Date on the Wireless Emergency Telephone Safety Act

At the advent of cell phone usage, an access fee of 75 cents per month was implemented to fund technological improvements which allow cell phones to contact 9-1-1. This statutory provision expires on July 1, 2013. The decline in landlines demands that the funding for 9-1-1 systems continue to be derived from the more proliferative usage of wireless phones.

Reform Pensions

The pension system must be made sustainable not only to ensure affordability for municipalities and taxpayers, but also to protect obligations to employees. If municipalities lack sufficient funds, then pension systems will collapse and retirees will lose their benefits entirely. In 2010, police and fire pensions became a two-tier system that ensured some relief for municipalities. That relief, however, will mostly occur in future decades, when today's newest employees begin to reach retirement age.

The following reforms must apply to current public safety employees for all future benefit accruals:

- Pause all cost of living adjustments (COLAs) for ten years, then establish COLA as the lesser of 3% or ½ of CPI, non-compounding;
- Increase employee contributions by 1% of salary per year for five years;
- Return the retirement age to 55 years, with a minimum of ten years of service;
- Return to an annual accrual formula whereby maximum benefit is attained at 35 years of service;
- Reform the calculation of pensionable salary and base the annuity on the average of the best eight years of the employee's final ten years of service.

The following additional reforms must apply to the administration of pensions:

- Amend the compliance and penalty provisions in Public Act 96-1495 which threaten to take LGDF and other state-collected funds if municipalities fail to contribute annually to public safety pension funds in an amount sufficient to reach a 90% funded level by the 2040 fixed amortization deadline;
- Enact a 30-year rolling amortization period for pension funding;
- Allow police and fire pension boards to invest funds in the IMRF;
- Allow police and fire pension boards to merge funds;
- Remove pension levies from the tax cap;
- Return to a public safety pension board structure with majority representation by the taxpayer;
- Amend the Sheriff's Law Enforcement Personnel (SLEP) program, which permits police chiefs to enroll in and transfer police time with previous municipal employers to SLEP, thus requiring the new employer to cover the cost of the unfunded liability;
- Oppose any new pension sweeteners.

Amend the Public Safety Employee Benefits Act

PSEBA was originally created to supply health insurance benefits to public safety employees who suffer catastrophic injuries in the line of duty. However, the system is frequently used to provide duplicative benefits at the expense of the taxpayers even when recipients are able to secure alternative, gainful employment with health benefits. The federal definition of "catastrophic injury" must be adopted to ensure that taxpayers are no longer needlessly overcharged.

PRIORITIES

Create Equality in Labor Relations

Municipalities are at an inherent disadvantage when bargaining contracts. A level playing field is necessary to stop the unsustainable burden placed on taxpayers by the current system.

- **Amend the Illinois Labor Relations Act to Create a Level Playing Field for Labor Arbitration**

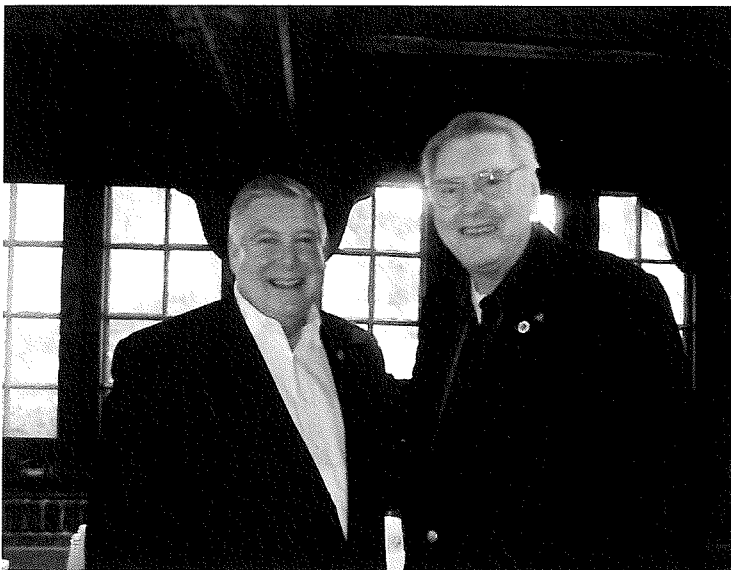
Arbitrators should be required to take into consideration both the interest and welfare of the public and the financial ability of the unit of government to meet costs with current revenue streams. Additionally, local fire unions should be required to pay for their share of arbitration costs, as police unions are currently required. The Act should also be amended to establish additional standards that prevent minor issues and unreasonable positions from being taken to arbitration.

- **Exempt Staffing Requirements from Collective Bargaining**

Due to statutory arbitration requirements and state-mandated pensions, the only variable municipalities can use to manage budgets is the number of staff. Legislation should be approved to explicitly exclude employee staffing levels from municipal collective bargaining.

- **Define “Confidential Employees” Under the Illinois Labor Relations Act**

Legislation is necessary to change the definition of “confidential employees” to include certain employees working directly for upper level management and having access to sensitive bargaining information in order to ensure that these employees are not considered “public employees” entitled to membership within a bargaining unit.



Support Western Access

As the Elgin-O'Hare Expressway expansion project is finalized, the state must consider the project's impact on local residents and businesses. The state should ensure that funding for the project is fair, that any local contributions for these improvements are funded by the greater Chicago region, and that the new access route provides a true entrance into the airport.

Senator Kirk Dillard and the late Lombard President William Mueller

(L-R) Warrenville Administrator John Coakley, Carol Stream Mayor Frank Saverino, Jr., Representative Mike Fortner, Naperville Manager Doug Krieger, Hinsdale Manager Dave Cook, and Clarendon Hills Manager Randy Recklaus



Limit Commercial Freedom of Information Act Requests

Municipalities often receive FOIA requests that are not properly indicated as commercial, despite the fact that this is a violation of the Freedom of Information Act. These requests, which are often submitted by out-of-state private companies, pose a significant financial burden to municipalities. The Act should include more effective penalty provisions for violations by commercial interests.

Protect the Public Rights-of-Way and Advance the Modernization of Public Utilities

Public utilities use public rights-of-way to deliver necessary services and commodities to municipalities. Municipalities own these rights-of-way and have a duty to protect them. As such, municipalities and residents must be able to regulate utilities' usage of this land.

- **Require Utility Franchises**

Due to the monopoly status of some utilities, municipalities are at a disadvantage when negotiating expired franchises. Utilities should not be permitted to ignore expired franchises and should be required to negotiate with municipalities in good faith.

- **Require ComEd Accountability**

State statute provides ComEd with rate increases to invest in infrastructure and implement smart grid technology. ComEd should be required to provide a detailed capital plan in order to guarantee that revenue is being used appropriately to fund infrastructure improvements and customers are receiving the benefit of the technological advancements they are already funding.

- **Repeal Limitations on Municipal Audits of Utility Taxes**

Utilities collect taxes and fees to remit to municipalities. The statute must be amended to permit municipalities to effectively audit these utility tax remittances.

Legislative Position Statements

*In addition to the Priorities listed above, every year the Conference responds to many legislative proposals, initiated by a variety of groups on a vast array of topics, that significantly impact municipalities and their residents. The following **Legislative Position Statements** outline Conference positions on several of these issues and guide our legislative efforts through the course of the year.*

Protect Municipal Revenues

Municipalities should have the flexibility to fund the programs and services they consider necessary. Funds owed to municipalities should not be diverted and state mandates should be balanced against other municipal spending priorities to prevent overburdening local budgets and taxpayers.

- **Implement Streamlined Sales Tax**
Implement federal streamlined sales tax rules that preserve intra-state sourcing rules and that require the state to treat the resulting funds as pass-through revenue, so municipalities receive the tax revenue from out-of-state online retailers.
- **Make Owners Responsible for Protecting Foreclosed Property**
The burden to maintain foreclosed property should rest not on the municipality and taxpayers, but on the bank or other owner of record.
- **Amend Rules Regarding Publication of Reports and Notices**
Mandated reporting, printing, and notice requirements should be amended to permit municipalities to satisfy compliance by posting reports and publications online and providing paper copies on request. In addition, double publication of two-county Truth in Taxation Notices, which wastes limited public resources, should be eliminated.
- **Permit Municipal Control Over IDOT Projects**
Municipalities should be allowed to obtain partial or full waiver from IDOT review for certain projects, and to hire their own consultants to conduct state reviews to avoid delays. In addition, guidelines should be established to allow municipalities to administer their own Motor Fuel Tax funds without the delay of state approval.
- **Preferences for Illinois Contractors**
Allow municipalities to select out-of-state contractors, rather than in-state contractors, if the bid differential is greater than 10%.
- **Remove the Referendum Requirement for Real Estate Transfer Tax**
Allow municipalities to enact or increase a real estate transfer tax without referendum.
- **NPDES Permit Fees**
The fees charged for National Pollutant Discharge Elimination System (NPDES) permits should be reduced to the level necessary to conduct related regulatory activity.

Eliminate Barriers to Local Management of Labor and Personnel

Support must be given to local authority to manage labor and personnel and to implement the most efficient and effective means of delivering services. Legislative barriers that make it difficult to consolidate and coordinate services—including public works, code enforcement, police, and fire—should be eliminated. The resulting efficiency would permit municipalities to provide a higher level of services, save money, and reduce the burden on taxpayers.



*Representative Stephanie Kifowit and Roselle Mayor
Gayle Smolinski*

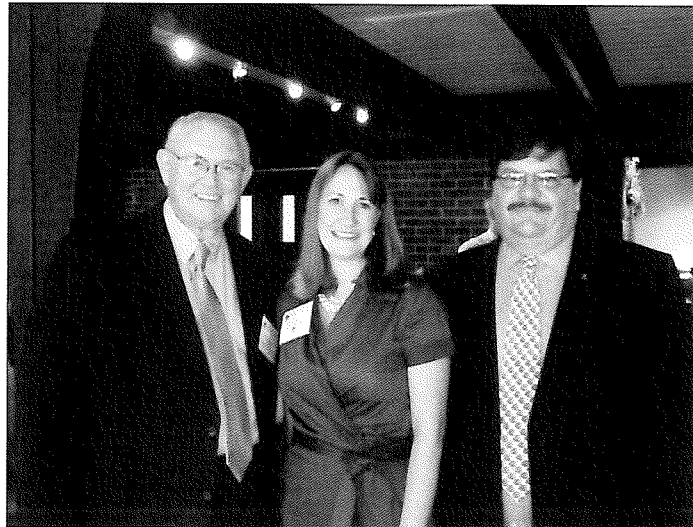
- **Permit Municipalities to Recoup an Administrative Fee for Providing Health Coverage**
The Police Officer's Continuance Privilege and Municipal Employee's Continuance Privilege should permit municipalities to charge a 2% fee to offset administrative costs, as COBRA currently allows.
- **Provide Municipal Control of the Foreign Fire Insurance Tax Revenue**
Elected municipal officials, not fire department members, should receive, budget, and spend revenues from the Foreign Fire Insurance Tax.
- **Prohibit Municipal Employees from Serving on the Governing Board**
No municipal employee should be eligible to serve on the governing board for that municipality.
- **Regulate Charitable Solicitations on Behalf of Police or Fire Unions**
Develop effective enforcement against fraud and misrepresentation by solicitors.
- **Amend Public Safety Pension Board Training Legislation**
Amend Public Acts 96-0429 and 94-0354 to permit pension board trustees and police chiefs and deputy chiefs to satisfy training requirements using online courses and webinars, and to allow certification of local community colleges to provide the training. Additionally, provide exemptions for professionals with relevant credentials and remove the requirement for annual reviews, making training a one-time event.

Preserve and Respect Local Authority

The freedom to make decisions at the local level is the best way that municipalities can fully serve their unique constituencies. Policies should not undermine or preempt local authority and responsibility to protect the health, safety, and welfare of local residents.

- **Permit Access to Sales Tax Information**
Grant all municipalities access on a quarterly basis to the Illinois Department of Revenue sales tax information by individual retailer for enforcement and budgeting purposes.
- **Preserve Local Risk Management Pools**
Support the preservation of local authority to enter into and manage cooperative risk pools.
- **Amend the Open Meetings Act**
Clarify all rules under the Act regarding the use of developing technology during meetings.
- **Protect Sign Regulation and Limit Billboard Removal Compensation**
Legislation is necessary to allow municipalities to use amortization as a form of “just compensation” when zoning changes cause a billboard to be a nonconforming use.
- **Expand Allowable Annexation Boundaries**
Expand municipalities’ rights with respect to involuntary annexations by adding railroad and utility rights-of-way as allowable boundaries.
- **Limit Land Disconnection**
Prohibit the disconnection of land from a municipality without approval from the city council or village board.
- **Permit Special Service Areas for Stormwater Facilities**
Reform Public Act 97-0533 to prohibit the refusal of special service areas so municipalities can ensure maintenance of drainage facilities that are the responsibility of homeowner associations.
- **Allow Municipalities to Determine the Form of Security Posted by Developers**
Municipalities, rather than developers, should be able to decide whether developers will need a bond or a letter of credit for public improvements.

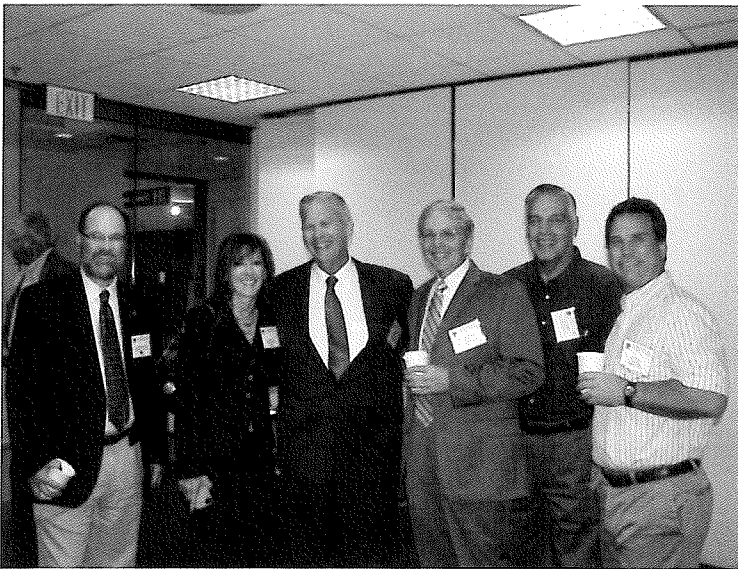
(L-R) Woodridge Mayor William Murphy, Representative Emily McAsey, and Hanover Park President Rod Craig



Remove Barriers to Non-Home Rule Authority

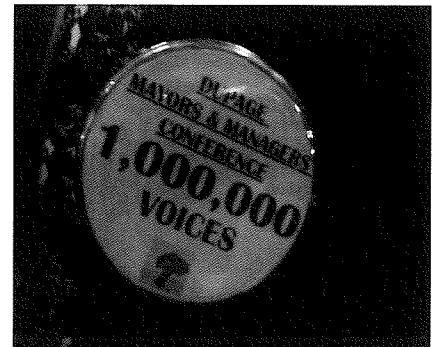
The distinction between home rule and non-home rule communities should be removed to recognize the ability of all municipalities to govern themselves, regardless of population.

- **Amend the Hotel-Motel Tax**
Allow non-home rule municipalities greater flexibility in how they may spend Hotel-Motel Tax revenues.
- **Amend the Sales Tax**
Allow non-home rule municipalities greater flexibility to expend sales tax revenue on areas other than infrastructure.
- **Allow Crime Free Housing Regulations**
Municipalities with home rule authority are permitted to license landlords and require periodic inspection of dwellings. Legislation should allow non-home rule communities to use this program as well.
- **Allow Greater Flexibility with Other Taxes and Restrictions**
Allow non-home rule municipalities to employ policies such as state and local funding alternatives, regulation of pawn shops, and economic development incentives. Also, permit non-home rule municipalities to assess and expend—for any government purpose—tax revenue from car rentals, gasoline, and natural gas utilities.



(L-R) Representative Mike Fortner, Senator Linda Holmes, Senator Tom Johnson, Warrenville Mayor David Brummel, Willowbrook Mayor Robert Napoli, and Itasca President Jeff Pruyn

The DuPage Mayors and Managers Conference is an association of municipalities representing over 1,000,000 people.



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