

**MINUTES  
CITY OF ST. CHARLES, IL  
GOVERNMENT OPERATIONS COMMITTEE  
MONDAY, DECEMBER 16, 2013**

**1. Opening of Meeting**

The meeting was convened by Chair. Turner at 7:40 p.m.

**2. Roll Call**

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

**Absent:**

**Others Present:** Mark Koenen, Chief Lamkin, Kathy Livernois, Peggy Forster, Rita Tungare, Chris Minick, Chief Schelstreet, Peter Suhr

**3. Omnibus Vote**

Budget Revisions – November 2013

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

**Voice Vote:** Ayes: Unanimous; Nays: None. Chrmn. Turner did not vote as chair. **Motion carried.**

**4. Inventory Control Division**

- a. **Recommendation to accept bid of \$34,207.00 for one 2013 F-250 pick-up with plow and approve an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles.**

**Mike Shortall:** Staff is seeking to purchase an F-250 pickup. This was taken through state bids and we are also seeking approval to sell vehicle #1813 which is its replacement for the City auction.

**Ald. Lemke:** Could you tell me a little more about the vehicle that is being replaced?

**Mike:** This is a plow vehicle F-250 and its replacing a liked vehicle. It has been approved through the City Fleet Committee and also has been approved through budget. We're looking to replace a liked vehicle and it's a good price through state bid and we recommend approval.

Motion by Ald. Stellato, second by Bessner to recommend accepting bid of \$34,207.00 for one 2013 F-250 pick-up with plow and approve an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles.

**Voice Vote:** Ayes: Unanimous; Nays: None. Chrmn. Turner did not vote as chair. **Motion carried.**

- b. Recommendation to accept bid of \$29,290.00 for one 2014 Ford Explorer and approve an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles.**

**Mike:** The second vehicle is a 2014 Ford Explorer and would be purchased through a local vendor, Zimmerman Ford. They were able to beat the state bid and we are also seeking approval to dispose vehicle #1755 which is its replacement. This has also been approved through the City Fleet Committee and budget.

**Ald. Lemke:** Could I have a description of vehicle 1755?

**Mike:** 1755 is a like vehicle as well and it is an older vehicle that has been in the fleet for quite a while and due for retirement.

Motion by Stellato, second by Bessner to recommend accepting bid of \$29,290.00 for one 2014 Ford Explorer and approve an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles.

**Roll Call:** Ayes: Bancroft, Martin, Krieger, Bessner, Lewis, Stellato, Payleitner, Lemke; Nays: None; Abstain: Silkaitis. Chrmn. Turner did not vote as chair. **Motion carried.**

## **5. Police Department**

- a. Recommendation to approve an Ordinance Amending Title 5 “Business Licenses and Recommendations”, Chapter 5.08 Alcoholic Beverages” of the St. Charles Municipal Code.**

**Chief Lamkin:** Over the past several months we’ve had many discussions on some proposed changes that we could make to the liquor code outlining the difference of the normal time that deals primarily with B and C license holders that would close at midnight and then have the option of applying for a late night permit which could be until 1:00 a.m. or 2:00 a.m. We drafted some language and there are four points on the summary I’ve given you. Items A and B, with the input from our city attorney are clarification issues in terms of what the role of the City Council is in relation to the approval of the permits as they come in front of you. So those two items are to clarify the language itself. Item C outlines the hours of operation and as you’ll see we’ve discussed 12:00 midnight seven days a week and then there was discussion allowing the annual New Year’s Eve so those license holders could have an exemption to stay open until 2:00 a.m. on January 1. Lastly the license fees are outlined going forward with the late night permits fees for 1:00 a.m. and 2:00 a.m. We put this together based on input from the Liquor Control Commission and all of you and I’ll open it up for discussion.

**Chrmn. Turner:** Members of the Liquor Commission can make their comments first, followed by Council for discussion and then the public.

**Ald. Lewis:** We've discussed it at length over the last few months and we're all on the same page with what we wanted to see. We want to give this a try and move forward with it and see how it will work. To my knowledge I have not heard any information from anyone that this will affect with exception of one letter that their business wasn't even located downtown.

**Mayor Rogina:** I've received the same letter you are referencing but I received no input to date, but not to suggest that it still couldn't happen.

**Ald. Lewis:** As a Commission we are all in favor of this in recommending it to Council.

**Mayor Rogina:** The document speaks for itself and would like to speak to Chief Lamkin, Mark Koenen, City Administrator, to my colleagues on the Liquor Commission, and Counsel McGuirk putting all this input together. This is an end to a long road that we discussed way back in the spring trying to do some reshaping of the language in our ordinances that may have some input on affecting some of the behaviors downtown. We are going to give it go and see what happens.

**Ald. Payleitner:** Just to tack onto what Maureen said, I have two points. One is the incentive for the early closing which was something as a group we talked about and secondly it is so hard in trying to define restaurant vs. taverns, vs. bar, vs. pub. This way they'll take care of that by whatever license they seek. They'll define it.

**Ald. Lemke:** I'm curious if one were to select a 1:00 a.m. permit vs. a 2:00 a.m. permit; are those additive or 2:00 a.m. is what you pay? The fact you're doing two hours is what you're paying for oppose to I want 1:00 a.m. and then if I want 2:00 a.m. I'll have to pay for 2:00 a.m. also.

**Chief Lamkin:** The intent is if you want to stay open until 2:00 a.m. you pay for 2:00 a.m. fee. You don't have to pay 1:00 a.m. and 2:00 a.m. fee.

**Ald. Lewis:** Also we put those figures down for a base but they are certainly open for discussion if someone may think it should be higher.

**Chrmn. Turner:** If members of the Council want changes to the fee they'll get back to us and the Liquor Commission.

**Mayor Rogina:** One comment regarding the fees, if there's a subtle hint in the fee structure as to the fact we're saying why don't you take a look at closing at 1:00 a.m.? You're going to save \$600 over your previous 2:00 a.m. closing from the year before. If that subtle hint is there I would say maybe it's not so much of a hint; but if you want to stay open until 2:00 a.m. the price is there as noted.

Motion by Ald. Martin, second by Krieger to recommend approval of an Ordinance Amending Title 5 "Business Licenses and Recommendations", Chapter 5.08 Alcoholic Beverages" of the St. Charles Municipal Code.

**Roll Call:** Ayes: Bancroft, Martin, Krieger, Bessner, Lewis, Stellato, Silkaitis, Payleitner, Lemke; Nays: None. Chrmn. Turner did not vote as chair. **Motion carried.**

**6. Finance Department**

**a. Recommendation to accept the Comprehensive Annual Financial Plan for the fiscal year 2013/14.**

**Chris Minick:** We are going to take a look back historically at the Comprehensive Annual Financial Report (CAFR) for FY2013/14 or commonly known as the audit of the City. State statutes require the City to have the City contain an annual audit of the City's financial statements. Currently we have contracted with Sikich, LLP out of Naperville, IL who have been our auditors for several years. We prepare this CAFR so that we can participate in the Government Finance Officers Association Certificate of Achievement of Excellence Financial Reporting Program. That's the premier program for audits and financial reports for governmental entities to receive based on their audits.

The April 30, 2012 CAFR was submitted for the Certificate of Achievement and was awarded to the City early spring of 2013. This represents the 27<sup>th</sup> consecutive year that the City has won this prestigious award. We have submitted the April 30, 2013 CAFR for review through the Certificate of Achievement Program and are hopeful that we will attain the Certification of Achievement again next year and should have that news in early 2014.

With regard to the April 30, 2013 CAFR it was previously distributed to the City Council and it's posted on the City's website. Chris briefly reviewed the highlights of the CAFR for the committee.

Pages 1-3 are the only part of the CAFR that belongs to the auditor. The remaining pages are the responsibilities of the City, city management, staff, and Finance Department.

Pages 21-22 Balance Sheets – the City is still in compliance with holding 25% reserves.

Pages 24 & 26 Statement of Revenues/Expenditures a.k.a. Income Statement and Balance Sheet for individual utility funds.

Page 27 Operating Funds.

Page 78 Actuarial Study of Supplemental Information.

Pages 80-83 Breakout of IMRF, Police Pension, Firefighter Pension.

This concludes my presentation on some of the highlights. Overall the audit contains very good financial performance news for the City's four main operating funds.

**Chrmn. Turner:** With the Electric Fund being in a negative situation, it will eventually, over time, Pay back the General Fund?

**Chris:** We do track that and yes it is intended that it will repay the General Fund.

**Ald. Lemke:** On page 27 regarding the Electric Fund we show some non-operating gain/loss of sales of fixed assets, gain/sale of property; was that any one item? The number is \$307K.

**Chris:** I am going to guess that some of that is primarily due to related disposal of obsolete inventory just based on the technology and transformers, etc. I don't remember a specific large item in that area.

**Ald. Lewis:** On the revenue slide there is miscellaneous for \$700K. What would be some examples of that? That seems like a lot of money to just lump in.

**Chris:** It's related to those items that are deemed significant enough to be broken out. I'm not sure what that might be at this moment but will get you an answer.

**Mayor Rogina:** Director Minick reports a \$1.463M surplus and as Mayor I would like to say to the elected officials that's the result of some of the policies you invoked into the course of this year and to the staff that's a net result of due diligence by staff. I am very proud of this figure.

Motion by Ald. Lemke, second by Bessner to recommend accepting the Comprehensive Annual Financial Plan for the fiscal year 2013/14.

**Voice Vote:** Ayes: Unanimous; Nays: None. Chrmn. Turner did not vote as chair. **Motion carried.**

**b. Presentation of monthly update regarding City's Financial Results for October 2013 – Information Only.**

**Chris:** In accordance with the discussion that we had a month ago we are now presenting the financial reports on a quarterly basis. We'll still prepare the monthly reports and post them on the City's website, however formal presentations to the committee will be done on a quarterly basis.

October 31, 2013 represents the halfway point of the City's fiscal year and it's good time to review the trends and see how they are holding.

**General Fund** – we are forecasting \$40.2M of revenue and \$40.5M of expenditures and if those trends hold that will result in a \$300K deficit for the General Fund. That is not a tremendous concern when you combine it and take a look at the fact that we just had a \$1.4M surplus for the previous fiscal year. The item most concerning in the General Fund continues to be the sales tax revenues. They are trending 4-1/2% below budget at this point in time. I believe we may be having some good news. We just received the December disbursement for sales tax which represents sales activity that took place in August. That represents roughly the time that Rt. 64 on the east end of town reopened. That particular month's receipts were \$75K over where they were for 2012. Hopefully we are seeing those shopping patterns re-emerge and get re-established on the Rt. 64 east corridor.

Regarding the expenses, it's all good in terms of comparison to budget. We're anticipating that we'll end the year approximately \$1.9M under budget; 4-1/2% in terms of total expenditure for the General Fund. Good news with regard to our financial management practices.

**Electric Fund** – we are projecting \$55.8M in revenue as compared to \$57.9M in expense on a cash basis. If those trends hold that would result in a \$2M cash basis lost for the Electric Fund for 2013. One of the phenomena is two-fold within the confines of the Electric Fund. 1) We have \$3.5M of capital expenses. Some of those revenues were received in prior years so they are not going to show and reflect on the cash basis. 2) Wholesale power costs that are increased due to the cooler weather summer that we had in 2013 as compared to 2012. Our user charges – rate revenue is exactly in line with budget. We are projecting that we would end the year within \$20K of where we had budgeted for the Electric Fund and will continue to monitor this fund as we go forward. Again we are seeing reflected a little bit more of a historically less favorable environment in terms of the weather conditions from 2013 for the Electric Fund.

**Water Fund** – this is a victim of some of those tiny and different circumstances that I referred to in the Electric Fund. If you look at the cash basis numbers, we would experience a \$4.4M lost in this fund. However, if you take out the one time revenues and one time capital expenses, a significant portion of those capital expenses have been funded in prior years. We're looking at \$4.8M of revenue and \$5,650,000 of expense that would result in a \$262K operating loss. There's a bit of a phenomenon happening with regards to the expenditure for some of the projects lagging the receipt of financing for several of the projects.

**Wastewater Fund** – we see a similar phenomenon in this fund as well. There's a \$2.5M cash basis lost but if you blow out the one time revenues and capital expenditures we're looking at \$168K operating loss.

Overall I would say FY13/14 is not quite as positive as FY12/13, but certainly not an area for a tremendous amount of concern at this point.

**Ald. Bessner:** Are you seeing trends or markers that are showing the economy going back to where it was in 07/08. Looks like we're stopping/rising/stopping – are we still moving forward?

**Chris:** We are increasing but very slowly. In terms of the history we experienced prior to 2008/09, the increase is more goal driven in pace than perhaps previously experienced. The goal trends in the revenues are going to be fairly flat. There will be an increase overall but it's not going to be a significant increase that we might have seen pre-recession.

**Ald. Bessner:** So we're not going backwards.

**Chris:** I don't foresee us going backwards unless something unexpected was to happen.

**Ald. Lemke:** We talked about the wastewater fund and the \$10.3M of capital, does that then become amortized over time?

**Chris:** Yes, we do not convert to a gap basis for the interim for the interest statements. The Enterprise Funds (electric, water, wastewater) are all presented on a cash basis but you are correct that the interim majority of the \$10.3M will be capitalized and then depreciated over its useful life. That represents the building on Deveraux Way for that renovation project.

**7. City Administrator's Office**

**a. Presentation of request from Pride of the Fox Riverfest Committee for the City to be the Presenting (Title) Sponsor.**

**Mark Koenen:** We have had a request from the Riverfest Committee to consider being a title sponsor for the fest. We did that last summer 2013. Tonight this is being brought to you to consider this request and if your consideration is positive it will begin to start the budget process for FY14/15. So the Festival Committee can depend on that with the approval of the budget this coming April, but it also becomes an issue of them to being able to plan accordingly. There's information in your packet that details how we handled it last year and what our contribution was to be a title sponsor. It also deals with what our contribution was for operational services. I also provided information with other activities that the City has been involved in either directly or indirectly for other users to provide activity in our downtown area. Julie Farris is here tonight representing Riverfest and can answer questions as well.

**Chrmn. Turner:** You are asking for the approval of the funding tonight?

**Mark:** Yes, we need that for budget preparation and Riverfest needs to know that for their planning.

**Julie Farris:** Walked through a slide presentation showing the City the benefits of being a title sponsor for the Pride of the Fox Riverfest. I met with Mark Koenen and went through line item by line item of our contract and showed him how we delivered on our contract and also how I over delivered on our contract with benefits to our title sponsor the City of St. Charles. Because we do such a great job I am back again to ask you to please support our non-for-profit and community festival.

Went through the activities of what Riverfest gives to the City and the history of Riverfest which started in 1982. Riverfest is the longest running festival in St. Charles and the only festival that is produced by the community for the community. We get between 30K to 50K visitors who attend our 3-day festival, we offer seven venues of entertainment and showcase our downtown, community parks, showcase the Fox River and Riverwalk, provide an event for the community businesses to showcase their organizations, and other various activities. In 2013 we had 71 businesses that sponsored our event with 60 of them being from St. Charles. We have goals and visions for our team for 2014: 1) 20 year anniversary for the sand sculpture event, 2) creating a Native American Pow-Wow (nationally recognized event), and will be partnering our Hospitality Tent with Blue Goose which will be officially named The Blue Goose Hospitality Tent. We have new partnerships and have created a non-profit group volunteer program. With this program we'll be able to help three non-for-profits each year. They'll provide the manpower for our beer garden and we'll provide them a percentage of our sales.

Some of the benefits for title sponsorship is you're branded as the title sponsor on all media, have exclusive seating to the VIP tent for food, drink, and concerts, your name actually goes before Riverfest and it becomes the City of St. Charles Riverfest, your listed on our website and banner program and also announced at the venues. A lot of volunteers, residents and business owners have helped to put on this event. Two new events in the planning for 2014 are a Special Needs Night and Bachelor Auction.

Motion by Ald. Stellato, second by Bancroft to approve the request from Pride of the Fox Riverfest Committee for the City to be the Presenting (Title) Sponsor.

**Roll Call:** Ayes: Bancroft, Martin, Krieger, Lewis, Stellato, Silkaitis, Payleitner, Lemke; Nays: None; Abstain: Bessner. Chrmn. Turner did not vote as chair. **Motion carried.**

Motion by Ald. Bessner, second by Bancroft to enter into Executive Session at 8:35 p.m. to discuss Land Acquisition and Personnel

**Roll Call:** Ayes: Bancroft, Martin, Krieger, Bessner, Lewis, Stellato, Silkaitis, Payleitner, Lemke; Nays: None. Chrmn. Turner did not vote as chair. **Motion carried.**

#### 7. **Executive Session**

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

Motion by Stellato, second by Silkaitis to come out of executive session at 9:00 p.m.

**Roll Call:** Ayes: Bancroft, Martin, Krieger, Bessner, Lewis, Stellato, Silkaitis, Payleitner and Lemke; Nays: None. Chrmn. Turner did not vote as chair. **Motion carried.**

#### 8. **Additional Items**

None.

#### 9. **Adjournment**

Motion by Ald, Silkaitis, second by Krieger to adjourn meeting at 9:03 p.m.

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

:tn