

**MINUTES  
CITY OF ST. CHARLES, IL  
GOVERNMENT OPERATIONS COMMITTEE  
TUESDAY, SEPTEMBER 2, 2014**

**1. Opening of Meeting**

The meeting was convened by Chairman Turner at 7:42 p.m.

**2. Roll Call**

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

**Absent:**

**3. Omnibus Vote**

Transfer Resolutions (25)

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

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

**4. Police Department**

**a. Recommendation to approve request for use of amplification equipment for the Camp Kane Rededication on September 20, 2014.**

**Chief Keegan:** The Camp Kane Foundation, in partnership with the City of St. Charles would like to hold a rededication ceremony on Saturday, September 20, 2014 to unveil the Jones Law Office and rededicate a portion of Langum Park back to Camp Kane. The actual ceremony will take place at 1:00 p.m. with approximately 150 people expected. Parking for attendees will be available on Deveraux Way and in the Langum Park lot off of 7<sup>th</sup> Avenue. Event coordinators will confirm with the Park District to ensure no conflicts will take place with previously scheduled sport or other events taking place in the park that day. There are other special events taking place on this weekend that have been previously approved, but this event will not increase any traffic. We are seeking approval for use of amplification equipment for this event. There may also be a gun salute at this event as well.

**Kim Malay 526 S 16<sup>th</sup> Street, St. Charles:** Thank you to everyone who help to make this a smooth transitional move.

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

**5. Finance Department**

**a. Recommendation to approve a Resolution Authorizing the Director of Finance to Execute a Global Treasury Management Services Master Agreement with BMO Harris Bank.**

**Julie Herr:** As mentioned previously at the P&D meeting last month, the lock box system does have a cost associated with it, and based on what we are estimating the usage to be, it could be approximately \$2,100 a month. However, as I explained the benefit to be gained from a lock box system will outweigh the costs. So therefore to conclude, we are requesting the recommendation to City Council to authorize the Director of Finance to execute a Global Treasury Management Services Master Agreement with BMO Harris Bank.

**Chrmn. Turner:** Is there going to be an upper limit to what we pay them – are we going to have a fixed cost or not?

**Julie:** It's a per-unit cost, so it depends on the volume that goes through the lock box system. We don't know how many are going to be process at this point, but we are trying to push other avenues as far as direct deposit and other things that have an instant into our bank account; but again they are giving us a fixed unit price and that depends on the volume of what the actual costs will be.

**Ald. Payleitner:** Are they going to be handling the on-line payments as well?

**Julie:** They do some on-line. We have a service we do ourselves, we also have a direct deposit through Harris Bank, and they do receive some on-line payments directly into Harris. It's not just a lock box that's covered in the agreement; it's the other services they've provided to us in the past too. This is nothing new; this is just the new part of it that we have to enter into an agreement on. Everything else was existing before.

Motion by Ald. Stellato, second by Bessner to recommend approval of a Resolution Authorizing the Director of Finance to Execute a Global Treasury Management Services Master Agreement with BMO Harris Bank.

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

**b. Presentation update regarding City's Financial Results for July 2014 – Information Only.**

**Chris Minick:** Enclosed are the financial reports as of July 31, 2014 that represents the end of the first quarter of the City's fiscal year. Although it is early in the year, we do see some trends emerging. Some of these trends are very beneficial to the City while others are going to bare more scrutiny and are going to necessitate that we keep an eye on them as we go through this fiscal year to make sure that we don't need to take any other measures to improve our financial performance. In terms of the positive trends, we see primarily in the General Fund revenues our sales taxes are rebounding quite nicely as compared to where they were this time last year. They are up 3% and

that primarily has to do with the word getting out that the east side is very open and accessible again. We've seen quite a bit of traffic, in a good way, at the cash registers of the retailers. Also in terms of the General Fund revenues, we are going to continue to keep an eye on some of the smaller revenue streams within the fund, such as, the income tax, hotel, alcohol, and telecommunications taxes. Right now those items are trending lower than we liked them to and are trending lower than we projected initially; but its early in the fiscal year and they do tend to lag a little bit.

**General Fund Expenditures:** We are seeing the effects of the budget add for the roadway salt; the increase in both the quantity and the cost for the salt we are going to purchase this year. Other than that the expenses are good overall in terms of this fund.

**Electric Fund:** We are seeing these initial results being impacted by the weather conditions we've experienced this summer. It's been a cooler summer and we've seen that in some of the financial performances of the utilities. The Electric Fund is trending above budget right now. The expenses are trending below budget as well as our power purchases. When you combine these trends we are looking at a project cash base surplus of \$850K for this fund at this point.

**Water Fund:** This is trending below budget at this time as well. Our expenditures are in line with the budget and that is creating a small deficit over and above of what we anticipated when we passed the budget in April 2014. Also there is a significant amount of capital improvements and debt proceeds that are anticipated this year primarily due to the water tower project as well as the replacement of the North 5<sup>th</sup> Avenue waterline which are the two major capital projects in this fund this year.

**Wastewater Fund:** Due to the fact that the water bills are lower than anticipated; our wastewater revenues depend on those water billings so we are also seeing the revenues below budget within the Wastewater Fund. Expenditures are trending above budget. The main reason is a timing difference in the payment for the IEPA permit. It's currently not on our account but we expect this to reverse over the upcoming months as we get into the August/September results. With the trends in the Wastewater Fund we are looking at a cash base deficit in terms of the projections at this point.

**Chrmn. Turner:** Our defect has gone from \$900K to \$1.2M and is most of that salt?

**Chris:** About 2/3 of that is related to the sale increase.

**Chrmn. Turner:** Is there any one thing that stands out as to why we have another \$100K in the deficit? We have some unbudgeted items that we've passed this year?

**Chris:** There is a combination of some of the under-performance of the revenue streams that I spoke of earlier as well as some of those additions and expenditures in terms of not being budgeted as well. The unbudgeted expenses do come out of the reserved account and do increase the deficit or have an impact on the financial performance.

**Chrmn. Turner:** I know just on this law office alone we got \$80K in feel good projects unbudgeted which increase the deficit by \$70K-\$80K. I don't know if there is some other non-budgeted expenditures that have come in for any other events.

**Chris:** I don't have a detailed list handy this evening but I can certainly prepare to report on this at the next committee meeting.

**Chrmn. Turner:** We got \$80K-\$100K for one quarter unbudgeted, non-essential items. We need salt, we have to pay for that, but these others were our decision and I don't know if we can afford to do \$400K worth of that a year because that's what we are on track for. I would like to know that every time someone brings something to us, if we can get a statement from you on how does this affects our deficit. \$12K here, \$3K there and next thing you know we're at \$100K deficit. \$80K, at least, is feel good. To me that just can't go on. We're already in the hole to begin the year and now another \$300K down. For some reason some of these organizations think we're made of money and obviously we're not. I'd like to get that out there. We have obligations for our core services; we don't have obligations for feel good projects. I thought for a while this was under control. When we see something like this come across, can we get a comment from you on how this affects the overall budget and deficit?

**Chris:** We do indicate on the Executive Summary for any item whether it is budgeted or not. If it's not budgeted we would indicate that it will come out of the reserves. We can take a look at where the revenue and expenditure streams stand in terms of the gross amounts and make a little better detail report when those items come forward.

**6. Executive Session - None**

- 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 Bessner to adjourn meeting at 7:55 p.m.

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