

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, NOVEMBER 2, 2015**

1. Opening of Meeting

The meeting was convened by Chairman Stellato at 7:50 p.m.

2. Roll Call

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

Absent: Bancroft

3. Omnibus Vote – none.

4. Fire Department

a. Recommendation to approve the purchase of a replacement fire engine for the Fire Department and the sale of the current apparatus (1996 Seagrave).

Chief Schelstreet: I'm here to discuss the recommendation to approve the purchase of a replacement fire engine for the Fire Department. Currently the Fire Department possesses a 1996 Seagrave fire engine that is indeed budgeted to be replaced as a normal replacement schedule. In November 2014 Council adopted the HGAC Buy program with the intent of utilizing it – it is a bid process for the replacement of the fire apparatus as our neighbors in Geneva and Wheaton have purchased two fire apparatus through the HGAC Buy program and have had a very good experience. We do indeed desire to use this organization to purchase a new Pierce Dash PUC, which is Pierce Ultimate Configuration pumper, it is a budgeted expense. The 1996 Seagrave will be sold and the money recouped will revert back to our replacement fund.

Ald. Silkaitis: What's a performance bond?

Chief Schelstreet: We utilize a prepayment discount performance bond for the security of the City. We're entertaining an additional discount through a prepayment of the cost, so we would take out a performance bond in the rate occurrence if they fail to produce, we have a bond that can assist us with getting our money back.

Ald. Lemke: How long does it take to deliver this equipment?

Chief Schelstreet: Ten months to one year.

Ald. Lewis: Are we set then for a while or is there more that will have to be replaced?

Chief Schelstreet: Through the normal budget process we are actually looking at our apparatus replacement schedule and we do we have normal purchases that are made from time to time. Our apparatus has a 20-year life expectancy so we are looking at how long we can actually keep a major apparatus. The one we're replacing had a catastrophic motor failure and we just got it in on the 20-year deadline.

Ald. Lewis: There's not another one next year and the next year?

Chief Schelstreet: Correct, we're good. We're looking 2017-18 for the next apparatus which is part of the normal schedule and these are all budgeted expenses.

Ald. Gaugel: To follow up on the performance bond and maybe staff knows where to look into this, but would there be a conflict between our terms and conditions on our purchase order that we would potentially place that would cover us in the event of a non-performance where we wouldn't have to spend the money for a performance bond – such as a termination for convenience or termination for cause? Maybe we could look into it as opposed to spending the money for the bond – maybe it's covered elsewhere in our Ts & Cs.

Motion by Ald. Turner, second by Bessner to recommend approval of the purchase of a replacement fire engine for the Fire Department and the sale of the current apparatus (1996 Seagrave).

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

5. Finance Department

a. Seeking direction regarding a supplemental request for funding assistance from Riverfest for the 2015 event.

Chris Minick: As the committee will recall back in late August/September we received a request from Pride of the Fox Riverfest requesting relief from an invoice for city services related to the 2015 event. As the committee is well aware, it is very common for the City to provide police, fire, public works and sometimes even the Electric department services in support of special events. Our policy is for those organizations holding the events for either a portion or all of those services to help the City cover its costs related to the special event.

Back on September 8, 2015 the committee did consider and discuss the request from Riverfest and specifically the requesting of relief from the City's invoice in the amount of \$11,421.62 representing 50% of the cost of approximately \$22,800 that the City did incur related to Riverfest this year. Back in September we did hold a discussion. Staff was tasked with following up on certain items and those updates have been provided in the packet this evening. Also the committee did request an additional discussion and tabled the item for discussion to this evening. There are representatives from Pride of the Fox Riverfest available to answer questions tonight.

Ald. Bessner recused himself from this discussion.

Chrmn. Stellato: We had some questions from last time, does anyone want to start?

Ald. Krieger: Chris are we planning on funding this sort of activity next year – do we have anything set aside in our budget – have there been any budget discussions along that line?

Chris: There have been no budget discussions per se. We typically start that off in earnest after the first of the year. At this point, we've received as a staff, no conflicting direction. It has been a part of our budget process for several years, so absent any differing direction given by the Council committee we would probably intend to include that in the budget for next year as part of the ongoing policy discussions. If it's the committee and ultimately the Council's direction to change for next year, we would request direction come from committee/council.

Ald. Silkaitis: We're not sure we are going to do this next year – it's not in the budget – correct?

Chris: We don't technically have a budget for next year. We do a one-year budget with projections; it's included in the projections for next year, but each and every item needs to go through the budget process and be vetted so it is the Council's prerogative to remove that from the budget for FY16/17.

Ald. Silkaitis: I'm not in favor of just forgiving the debt, it's not going to happen at least for me and pulling it out of next year's budget, which we don't have a budget, I don't see how we can act on this when we don't even know if we're going to have it next year. We need to determine that first if we're going to sponsor the Riverfest next year or not before we can actually deal with this.

Ald. Turner: To make things clear, when the City allocates money to Riverfest it's as a sponsorship?

Chris: Yes it's as a sponsorship for the event of Riverfest. That is how the request has come forward over the past few years.

Ald. Lewis: I thought some of the questions you asked of the Riverfest Committee were good and I thought the answers were kind of up in the air. I wonder if there is any more solid answers?

Julie Farris, Executive Director Pride of the Fox, 103 N 11th Avenue, Ste. 110, St. Charles: As you are all aware Riverfest encounter something that has never happen on our watch. We had three days of torrential rain and when we budget, we budget one day of torrential rain because history shows we always receive it, but we have never received three days of torrential rain.

The first thing our board did was address immediately all the invoices coming in to get an idea of what was happening. At this point we've also met and have discussed fundraisers, bringing in our musicians and working with some of our sponsors, including the Arcada, to hold a fundraiser. We've also talked about crowd funding/sourcing with the community asking for their

support on the fest. We've already started an application process to become a 501c3. As everyone is aware with Riverfest that we do support other not for profits with this event. We are moving forward and trying to raise funds ourselves, but we are asking for your support on the community fest.

Ald. Payleitner: So you're not a 501c3 now?

Julie: No we've never been. We've always been a Illinois not-for-profit.

Ald. Payleitner: So I wonder what qualifies for the half off?

Julie: You have to be an Illinois not for profit.

Ald. Lewis: If you weren't able to make ends meet this year, how will you be able to do it next year with even less money?

Julie: First we've never encounter what happened and as we're looking forward we have discussed what we are going to do with some cost cutting methods to the festival. We've looked at reducing the amount of free activities. We have a lot of free activities for our attendees and will be cutting some of those. We'll also be reducing the amount of venues and are also looking at overhauling the event with the paid positions and including, up into mine, and finding a volunteer who would step in and that would save the cost of my pay also.

Ald. Turner: I recall three years ago there was actually a competitive bid to put on Riverfest. You don't have a contract to put it on next year do you?

Julie: No, every year we come in front of you asking for your support as the title sponsor of the event. At that point you decide if you're going to sponsor it. In 2012 we were charged by the Council to actually run the community festival when there were two groups that were asked to run it.

Ald. Turner: So you don't really own Riverfest itself?

Julie: Not in trademark. At this point we own the materials that put it on, we have two storage rooms full of materials that was passed along to us from the not-for-profit that ran it.

Ald. Turner: What I'm trying to get at is that someone else could put a bid in to put on Riverfest and still use the Riverfest name?

Julie: Yes, absolutely. Riverfest isn't trademark as there is Riverfests across the country. They could come here and ask for your sponsorship and support and put their program/proposal in.

Ald. Turner: Next year you're going to have less money than this year, but that's assuming you're the one that's going to be putting on Riverfest?

Julie: Yes.

Ald. Krieger: If we give you the break and you get the money than whoever bids on it next year will have the lesser amount – how does that work?

Chris: That would be Council's prerogative. The way it's structure with the proposal before us, it does pre-assume that the same group would be running Riverfest next year and that would be the equitable way, for lack of a better term, to have that go forward. Otherwise if we wanted to stick with the traditional \$30K sponsorship, the group that would be subsequently running Riverfest would receive a lesser amount with all things being equal.

Chrmn. Stellato: Talking about timing in approving the budget which happens in April; when does the discussions start to look at things for next year as far as projects?

Chris: We'll be opening up the computerized budget system for entry this month; so those discussions in a lot of departments are already going on. I don't know that we've specifically discussed Riverfest and special events for the next budget but it will be occurring within the next month.

Ald. Krieger: I would like to move to postpone this until after we've had some initial budget discussions on all special activities for the next year. Things just seem too uncertain, not only with this, but with the State of Illinois.

Ald. Silkaitis second the motion to come before this committee in January 2016.

Ald. Payleitner: With regards to the list of some of your vendors; 60% have been paid, some have been paid 100%. Did we get documentation as to who was who? That's also a concern to me in moving forward on who's out owed money. Will they be affected with contracts for next year's event?

Julie: I can provide you with the list for that.

Ald. Payleitner: Okay we were hoping to get that answer, who is still owed money besides us?

Julie: The Chicago Tribune, some of our service vendors, myself, our accounting office.

Ald. Payleitner: Were these ones that were paid 60% or not at all?

Julie: The accounting office received nothing, I receive a stipend throughout the year, but I'm well under the 60% of being paid. Everyone else on the list with the exception of the City, myself, accounting office and one of our board members who had an expenditure report – these people were all paid 60%. The weekend of the event, we had contracts that were due that weekend and so those were paid that weekend. All performers were paid and not-for-profits that worked the beer garden.

Ald. Payleitner: You say some of the services – like what for instance?

Julie: The port-a-pottys, security were paid 60%.

Ald. Payleitner: Who is going to make up for those is my concern too?

Julie: We are working to pay all of those. Our goal is to pay everyone. We've been in contact with our vendors to let them know immediately and our goal is to pay every person in full.

Ald. Payleitner: How much is that total?

Chris: There was an indication of \$45K. Also is the Park District part of that?

Julie: The Park District was paid 60% also. If you subtract the City, myself, the accounting office and our board member, we'll have outstanding \$16,500 approximately.

Ald. Payleitner: So were not only a sponsor we are also a service provider?

Julie: Yes.

Ald. Gaugel: One of the things that came out in the last minutes was a question asked of Vanessa Bell-LaSota that she didn't answer, was breaking even over the last three years? Have you broken even over the last three years?

Julie: 2012 we made \$7K which we did pay the City back because at that point it was structured as a loan, 2013 we lost \$9K, and I don't have 2014.

Ald. Turner: I'm just concern about going forward. You're so thin on resources and budget as if everything is going to be okay for one day. In going back through your records, I don't know if I'm comfortable going forward with you as a viable organization to put this on every year.

Julie: I respect that. I know the organization that runs the other festival and the Executive Director was just in front of you months ago and let everyone know that events don't always guarantee money. We are an outside event and are subject to the weather. Our team works very hard to plan a budget and great event. We look at all case scenarios and could not ever anticipated three days of rain and raining out the main stage. I understand you have concerns. We are not in this to make money nor have we ever and at this point I am actually one of the largest outstanding bills to be paid for Pride of the Fox. This has been a labor of love by a group of residents for our community putting on our community event. We struggle when it rains, grit our teeth, and hope for the best. We struggle with the budget and try to cut things as much as possible. At the end, again, there is no way the best people on this event could anticipated three days of rain. As we go forward we will now anticipate for the worst-case scenario instead of a medium case scenario.

Ald. Lewis: If St. Charles is a vendor and all vendors have been paid 60% but St. Charles has not? We're one of the only vendors who have not received anything?

Julie: No our accounting office, myself, and a board member.

Ald. Silkaitis: Did you ask the Park District to excuse their payment?

Julie: No and we realize our mistake.

Motion by Ald. Krieger, second by Silkaitis to postpone this item until after there has been some initial budget discussions on all special activities and come before this committee in January 2016.

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

Ald. Bessner returned to meeting session.

Motion by Ald. Payleitner, second by Silkaitis to enter into Executive Session at 8:20 p.m. to discuss Litigation, Property Acquisition, and Personnel.

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

7. Executive Session

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

Motion by Ald. Payleitner, second by Silkaitis to come out of Executive Session at 9:15 p.m.

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

8. Additional Items from Mayor, Council, Staff or Citizens.

9. Adjournment

Motion by Ald. Lemke, second by Bessner to adjourn meeting at 9:15 p.m.

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