

**MINUTES
CITY OF ST. CHARLES, IL
CITY COUNCIL FALL RETREAT
SATURDAY, NOVEMBER 7, 2015**

Opening of Meeting

The meeting was convened by Mayor Rogina at 8:15 a.m.

Roll Call

Members Present: Stellato, Silkaitis, Payleitner, Lemke, Turner, Bancroft, Gaugel, Bessner, and Lewis

Members Absent: Krieger

Others Present: Mark Koenen, Rita Tungare, Fire Chief Schelstreet, Police Chief Keegan, Chris Minick, Peter Suhr, Larry Gunderson, Acting HR Director Denice Brogan, Tina Nilles, and Atty John McGuirk

Mayor Rogina: Staff has done a remarkable job in putting together this detailed program. My opening comments are to refer you to the beginning of the book (referencing page 15 – Sikich insert) of long and short term, routine and complex issues and this should be somewhat of a guiding principle as we move forward.

Mark Koenen: Gave thanks to Steve Weishaar for coming here this morning to help everyone with their phones. Reminded everyone of the logistics of the area and started the meeting.

Economic Development Coordination/Collaboration/Consolidation

Mark Koenen: This is a carryover from the June retreat, one of the last presentations of the afternoon that had to do with economic development promotion. We talked about how the City of St. Charles, Downtown St. Charles Partnership, CVB, and the Chamber of Commerce all have a relationship and build our community with an economic development point of view. At that retreat we talked about a goal of improving economic development and trying to improve economic development at a lower cost. You asked me to go back and talk to those groups on how best we could facilitate that.

The process we used was to retain Sikich, as we have used them for other city projects, and they created a safe environment with each of the groups and talked about what they contributed to economic development for the City of St. Charles and why their contributions were valued. We did stakeholder interviews which those were done at a high level with only two representatives from the respective groups giving background to Sikich on what they did or don't do for economic development. There were also focus groups (approximately a dozen members) of their own organization in their own unique

setting who had a conversation with Sikich with a canned set of questions that talked about Economic Development. There was focus group singularly focused on the CVB, one for the DSCP, one for the Chamber of Commerce, and one for City of St. Charles.

Focus Group Themes – what did we learn as a result from this process. The notes that Sikich took and memorialized on paper went back to each of the individual groups to make sure the notes were reflective to what Sikich heard at their meeting.

Everyone concurred that the City of St. Charles is an economic leader. They look to us for that guidance and believe that is our role and we all agree on that theme. All three of our partners believe that they are partners with the City and are supportive of our endeavors to promote St. Charles from an economic point of view. They would like St. Charles to provide a clear shared vision and strategy for economic development. What I read between the lines is that they are asking us to communicate more clearly what our vision is and how we're going to get there. They are also suggesting that we need to beef up our efforts in that area with more financial support and additional leadership experience. Each of the groups recognize that they know what their mission and vision is but they don't necessarily know what the other party's vision is. Case in point, the DSCP knows exactly what their up to but they are not certain what the Chamber's role is for the CVB vice versa. There is a recognition that there needs to be more communication and coordination. Everyone is busy in the trenches of doing their job, but there really isn't sufficient opportunity taken to do some broad sharing.

There was general recognition as a result of consolidation that we could save some money. They talked about those shared expenses that could be saved in the context of rental space for offices, save on insurance expense, IT services if they were all in a common location. So the consolidation of putting everyone in one location would create some savings. However each of the groups also stated that their individual mission was unique and different enough from another group that they could not be bound up into one common group.

One of the comments I learned has to do with special events management. There were some comments offered that we have a variety special events in the downtown area with a variety of leaders or groups that host them. Sometimes its hard to know what all the various events are and who are the leaders.

The CVB shared that they host Scarecrow and its very successful, but it's an event they inherited and is not consistent with the mission of which the CVB exists. We spent a lot of time discussing this with the CVB. So, we'll talk about this later on a new approach to special events.

Some issues that did come up is the CVB is very concern about their state certification. I was not aware of this. The CVB is a state certified Convention and Visitors Bureau – what does that mean? It means they are eligible for state funding. I am going to ask Chris to explain more about this.

Chris Minick: The state actually distributes out various funding to CVBs and there is an application process that CVBs have to go through each and every year. The state receives all the applications and evaluates them based on the criteria. To even apply or qualify to be considered for funding, there are certain criteria that has to be met. If you're previously certified, meeting criteria in the past, they have criteria as follows: you either be a unit of local government or incorporated as not-for-profit organization; be in good standing with the various departments of the State of Illinois, and can't be delinquent on any tax payments, etc. Also need to employ a full-time paid professional Chief Executive Officer and have been legal or in legal existence for a minimum of two years, representing one county or contiguous counties of one or more municipalities, and receive hotel/motel receipts from one of more of those municipalities in the applicant's service area. Additionally you also need to have a paid full-time tourism staff whose sole purpose is to promote tourism in the designated service area.

Mark: So the CVB is concern if there were a consolidation of the CVB with DSCP or Chamber that they would perhaps sacrifice the state certification, and this is important from a state level and also opens the door for them to get some state funds. Historically the CVB has received in the magnitude of \$200K a year from the State of Illinois that adds to their budget above and beyond what we give them. We give them over a half of a million dollars for the running of their operation and promotion of St. Charles. So they are very sensitive about that.

The CVB sees their primary purpose to develop relationships with other convention bureaus, tour groups, bringing those kinds of larger events to the City of St. Charles and it's about relationships. Most recently the Guernsey Convention was held at Pheasant Run. They worked with the Guernsey Association for two to three years before the Guernsey folks ever said yes they would bring their convention to St. Charles. It's a long term activity. People don't just call the CVB asking to bring their group to St. Charles; it's really CVB seeking them out and attracting them to the City of St. Charles. It's a process/relationship business for them to bring businesses here. They also reminded us through the focus groups that some cities incentivized conventions to come to their communities.

The Chamber concerns are they are a self-funded organization. The City of St. Charles does not necessarily give them money to make their operation work.. They are very concern, if there were a consolidation effort, of what might happen to their self-funding, self-sustaining organization in the event they were merged together with other parties. The Chamber represents a large group than just the City of St. Charles. They reach both east and west and south to pick up businesses outside the corporate limits of St. Charles.

Next Steps

I have an obligation to follow up with DSCP, Chamber and CVB later this month. The other next step is what is the next step in the process? I have a series of three options. The first one is "Let's Start Over" and that is forming the three parties into one. Blow it

up, start over, one group. Option 2 “Move Over” where we migrate economic development and economic activity to collaborate and coordinate which I call a change of management strategy. Third option is “Step Over” and this really deals with CVB and there are more details to come.

Starting Over

Let’s pushed the consolidation of CVB, DSCP and Chamber into one organization. Thoughts, recognizing the feedback we’ve received through the focus groups, I believe there is going to be some serious resistance of pushing to that option. We talked about difference in their missions and funding.

Move Over

This is the one I referred to as a change management opportunity. In this option I would suggest we remove the Chamber from this discussion. The City funds the Chamber about \$10K annually. That includes our membership and the luncheons many of us attend, and sponsorship which the Economic Development Department hosts every year at the Charlemagne dinner in February. Let’s let them continue as planned and talk solely about the CVB and DSCP.

I’m going to suggest that they maintain their unique status as separate organizations. We enhance our current annual contract with those two groups that have some very specific goals and reporting in them. This second piece is important because it was evident to me at a recent meeting we had at the City Council where there was some extended dialogue between council members and Amy about what was the benefit they brought to the City of St. Charles. Obviously we don’t understand that so we need to have some improved reporting and some continuous follow-up so we all have a better understanding of what is going on in their organization.

Next Step

Let’s seek some economy of scale. We all agree we could save money if we put groups together into one location. Let’s move the CVB and DSCP in one location. The CVB currently spends \$60K a year just on rent. If we moved them into a common location with the DSCP, they would share that rent. If they moved into a St. Charles facility, their rent is perhaps washed away – just an idea. Also if they were in the same space they could begin to collaborate and communicate more readily. They don’t have that physical distance between the group; and they get to know each other and share pieces of information, even share some of the same literature that would save them some money. This is a change process activity and all about getting buy-in from the users in those respective groups so we can continue forward in promoting St. Charles.

Step Over

This has a lot to do with the CVB. Could we be a stronger, more effective CVB if we were merged with another convention bureau, in particular the Northern Fox River Valley Convention Bureau out of Elgin. Let's suppose we merged the Elgin CVB with the St. Charles CVB? The Elgin CVB met with Mayor Rogina and I 60-90 days ago and maybe understood the St. Charles CVB was going through some change and saw an opportunity to maybe merge with us and did a soft promotion. Another opportunity is maybe the TriCities that has this long term history of working together; maybe there's a TriCity Convention Bureau. St. Charles has a lot to bring to the table as we have a lot of hotels and create a lot of income. Geneva has a couple of hotels and Batavia has none, but the TriCities do share a long and rich history.

Now let's step aside from these options and discussed the financial piece of the conversation. FY15/16, the City funds the CVB over a half of million dollars and these slides reflect the 10% cut already. Some thought with the "move over" option. If we were to consolidate the CVB and DSCP into one common facility, we could save over \$100K right out of the box. Chris pulled together the budget for the DSCP and CVB and just looking at their budgets, no conversation with either of those groups, saw what was clearly obvious, we could save \$102K without any conversation.

Downtown Special Events

Remember CVB operates Scarecrow because they inherited it and it's not essential to their mission. Player number 2 comes in called "downtown branding." DSCP is concerned with some of our events maybe not being consistent with our brand for downtown St. Charles. In the past we never had a brand or had any criteria to evaluate special events to see if a special event was consistent with what we wanted for downtown St. Charles. Let's assume that special events were all combined in downtown and put under one organization and were placed under the organization of DSCP. They could then evaluate the criteria from their brand to see if that activity was appropriate for moving ahead with a special event downtown St. Charles. Hold that thought.

FYI, the CVB budget right now includes \$183K for Scarecrow for this past October. Their revenue that was in their budget for this fiscal year included \$255K. I'm guessing they made money this year as the weather was great.

Chris: Those are actually results from last year that were pulled off of their 12-month financial statement of June 30, 2015.

Mark: These numbers are from Scarecrow a year ago, but the same history probably applies this year for this event – they had a great weekend.

DSCP, for their special events budget, have \$98K in expenses and projected a revenue of \$110K.

Mark referred to Slide 14 – diagram of shared office suite – this is just a suggestion and will ask Peter to talk about this.

Peter Suhr: This is the second floor of George's Sport area and this area is 75 feet deep and 50 feet wide. For the first floor, in a retail development sense, 75 to 100 feet is prime real estate for that type of business on the first floor. This space makes sense for the retail use on the first floor. A retail space typically wants to be a 20-foot base, so you could get two tenant spaces on the first floor. This diagram represents the space upstairs which also works for a combined office. There is some circulation routes, stairs that come up from the center of the space, there is a conference room and four private offices and open space for administrative spaces. If we reduce the amount of toilets that are located here, we could end up with a couple more offices or admin staff space.

Ald. Lewis: Is there an elevator?

Peter: In this design there is no elevator – only stairs. We could put in an elevator towards the back alley and have access to the second floor – that is something that the code would require.

Mark: We will talk more about ADA ability in the next presentation, but if its connected to the Arcada there is an elevator there.

Ald. Lemke: The advantage is one doesn't use a conference room every day, so the obvious is they agreed to share a conference room and facilities; that is fine. It's just what kind of differentiation do they need for their own offices. This makes sense.

Mark: Again this is just a suggestion. So what's Council feedback on coordination, collaboration, and consolidation?

Mayor Rogina: I would like to make three points here:

- To Mark's point with CVB relationships with tour groups etc. Mark alluded to the conversation we had with some serious hardball questions to the CVB regarding what are your standing, every year, relationships that you already put into play while you say you brought them to St. Charles this year – you've been bringing them to St. Charles every year versus new relationships? That's an important piece that needs to be ferreted out relative to the CVB and its work.
- The second point Mark alluded to is the DSCP brand. If it in fact we discuss today this conversation, is this group ready to say to the DSCP – you created the brand with our approval, you run with it now, subject to the checks and balances of the Council.
- The third point is a triple jeopardy of the idea that some of these businesses downtown have a chamber membership, DSCP membership or at least solicited to have one, and also pay into the SSA.

They are being hit up three times and that has to be taken into consideration.

Ald. Stellato: There is so much involved here, this is probably one of the most significant things we are going to talk about here today. We're talking about making some financial gain here for the City. I was going through the minutes from the mid-year retreat and read Ald. Gaugel's comments and it very much comes to light. His comment was it's nice to hire a facilitator but at the end of the day we need to make a decision. We, here, need to make a decision to give them some direction and how do we do that?

One of the ways is to make an organizational chart that shows who is at the top, how it flows through, which group reports to whom, and if we could use that as part of a goal in keeping with that theme, a couple of questions came up. We know the CVB has a reserve balance of a quarter million dollars. So us becoming the parent of CVB, for example, that money is now brought into some fund that we use to help buy out their lease or help set up an office, etc. We have the ability to do that as long as we keep up their state certification. I don't like the fact of merging our CVB with any other regional CVB – it just promotes competition between organizations.

Also want to check on "Special Events" what does that mean as well as a special events coordinator and who runs that? I always envisioned that coming through Rita Tungare's office. I want to clarify what those special events are, how many are there, is a ribbon cutting a special event? Let's clarify that. Both the Chamber and DSCP have a territorial thing going on when someone new opens in town and if it's not in the auspice of the Chamber or Partnership, or if they both have it, they argue over who is going to have a ribbon cutting. I don't consider ribbon cuttings a special event, but something more like a parade, Pride of the Fox, Scarecrow Fest, etc. Just would like some clarification on that.

Ald. Lewis: My question on the CVB is that they go larger than St. Charles. They go out to Campton Hills, Bartlett, so they are not solely focused on St. Charles.

Mark: They are larger than just the City of St. Charles. They may have done that intentionally to satisfy the state criteria for certification. I know they include the Village of Campton Hills.

Ald Krieger arrived at 9:50 a.m.

Ald. Lewis: But they don't receive funds from anyone else so how does that factor in; we're giving them money to promote other communities?

Mark: I was involved with the CVB in a presentation with a bus group called Event Planners from the Midwest. As I met people, what I learned they liked about St. Charles, such as, there is a cooking school out west of St. Charles, they called that St. Charles, but they used that as a location of a St. Charles event and they're in the CVB's coverage area.

Ald. Lewis: I think we need to address this broader umbrella they use if we're going to keep it St. Charles. I like the George's idea and like keeping the Chamber separate, but I

would like to see something more welcoming for visitors. Everyone looks for the Visitors' Center when you come into town, St. Charles doesn't really have one. If there is someone greeting them or some kind of first floor presence – I don't know if that could be squeaked out of George's and the offices and conference rooms could be upstairs. Someone actually welcoming you when you come to St. Charles would be a great idea.

Ald. Bancroft: Maybe a step removed from the coordination/consolidation concept. One of the questions I have is "our brand". The DSCP had the initiative of putting together a branding exercise, we funded it, we approve the brand. As I talk to the DSCP people, they talk about our brand and I'm not sure who the "our" is; so I feel it's a mistake just as we think about these organizations, for any organization to outsource their branding effort. We are the organization – the City. We have to be careful how that gets policed and how much authority we are delegating to someone outside of our structure. That's an important thing. They came up with it, they did a great job, and I'm a huge fan, but I'm not sure if its 100% the right idea, but point it back, that it's the wrong idea to delegate our brand awareness and our brand policing to an outside organization. On cost reduction it's a great idea but we need to figure out what the right way is. I really like the George's drawing but someone has to run the math. Office rent is so cheap in the western suburbs, I can't imagine what it would cost to get George's habitable again. I want to see what that math is versus what dollars of what rent somewhere else that would be on a periodic basis. The math right now is so overpowering to rent as opposed to build, improve, develop, or spend capital money. It doesn't make any sense.

Mark: We're going to get to that yet today.

Ald. Bessner: Part of your opening comments in discussing the CVB was what are the DSCP input/comments or anything of resistance or positive thoughts of possibly merging?

Mark: They would maintain that their mission is different from the other groups. They are tied to the downtown. They are not really interested in the industrial park. It's all about downtown between the railroad tracks and Mt. St. Mary's. They're interested but don't see it as their mission.

Ald. Bessner: I had the opportunity to work with Pride of the Fox and the Partnership over the last nine years and what I've seen over time, there always seems to be abrasive resistance in regards to groups talking. So in moving forward there should be an opportunity to create an org chart, but I would like to see it be created so there's not necessarily an hierarchy where one is more powerful than the other; and it goes back to having it report to Economic Development or someone in the City because that creates an almost level playing field for the groups and their status of what they do; having to communicate, work together, having to work under one umbrella and special events, etc.

Going back to special events, that's going to save a tremendous amount of time, just getting use to the logistical events, the similarities of running the events the same way

with the same event company, the same permit procedures, could even bypass us a bit with regards to the formalities of it. You will also save on insurance for sure as I've seen in my experience of doubling up on festivals. You'll also gain similar sponsorship for events because they'll be able to package those sponsorships. In the end my main concern would be to figure out a way to align all these events under one auspice, keep the political fray out of it, and save some money.

Ald. Turner: I think special events should be under one person. The Scarecrow really isn't a CVB thing, it sounds like they don't even want it. I don't know if it should go under Partnership or under somewhere in the City, or do we just farm the whole thing out. The other thing is Scarecrow cost \$183K, is that in their budget and we take the \$183K and farm it over to the organization that handles all of the events?

Mark: CVB generally farms Scarecrow out these days. They do have some in-house management but they do farm it out. So if you would assume that we give special events to us as another group, a means to accomplish the Scarecrow Fest, they could figure that out, but I wouldn't think it's going to cost any less than \$183K.

Ald. Turner: Would that come out of their budget if it gets transfer over to a new organization:

Mark: That's how I would see it.

Ald. Bessner: That \$183K, isn't that whole entire budget, revenue, expenses, etc.?

Chris: The \$183K is everything on their income statement that starts out. They identify Scarecrow expenditures with a code SCF, so I went and picked out all those items on the P&L statement. Some of that is administrative and would definitely be subject to an economy scale such as website maintenance, promotional types of things, but then there are some things we need to trade dollar for dollar. There would be some economy scale and I did not go through it and put a lot of analysis on this, but this could be the next step in the process.

Ald. Lemke: Under this umbrella of peer groups, I would discourage us from saying we have another group that just does special events. It belongs under the umbrella that we may reassign it; maybe in terms of the location, not necessarily on top of George's but a common location in some place. It's something worthwhile pursuing than just saying you all can save money and come back to us.

Ald. Payleitner: Who did the Scarecrow before CVB?

Ald. Lewis: I thought they started it.

Ald. Payleitner: To raise point that sometimes these downtown businesses have three expenses for membership, etc. What if the DSCP had a membership with the Chamber

so collectively they could have a Chamber membership? Then maybe they have a DSCP liaison sit on the Chamber board? That's just one way to consolidate with their membership. I like having special events under our roof then we could have control and then delegate it out and save some expenses.

Ald. Silkaitis: First question, should we combine the two or not because that would dictate whatever happens after that. I know they don't get along but we fund them and if they don't want to get along that tells me that from the top their organization is a problem with that. With George's we own the building already and to Todd's point we would have to do the numbers. We are eventually going to have to do something with the building, but I would like see us run the numbers first. We can't sell George's the way it is – it will have to be fixed up regardless of what happens here today. So is our plan to consolidate the two together? I don't think we need to refer to consultants. We have a wide variety of knowledge within this Council and staff. I would like to see us cut back on the consultants and let us try and make an educated decision ourselves.

Mayor Rogina: Mark and I have been having conversations about George's and just the simple fact that Todd is correct on the cost; but we have to be good neighbors to the community and do our part with George's and not hold it vacant. I don't know what that something is.

Ald. Stellato: I agree with the triple jeopardy on the downtown fees. I think we should eliminate that as part of this problem. I don't think DSCP needs to have a membership. If you are already in the SSA you are paying for that. How much revenue do they bring in, they only have 150 members?

Chris: It's a small number between \$12K - \$15K.

Ald. Stellato: In this process if we told the downtown businesses they don't have to pay this fee anymore; you pay into the SSA, that's it. In getting these groups to work together we have "egos" to deal with on both boards. It's not a bad thing. These people are proud, they put in a lot of hours and time and to get one group or the other to now say this group is going to report to the other – WOW! We are all going to be getting phone calls and having to deal with that. But if we say to them they need to combine the boards (combined total approximately 15 members) once again to an organization that is under our umbrella, then we can say we're the parent, everyone has to get along and this how we're going to do things. Without that direction, I don't see these two groups working together. Board members are starting to cross over to each other boards. Maybe it's not ego but pride. We need to say here's the organization and Rita Tungare is on top and everyone falls underneath. That also ties in with Matt O'Rourke who is out there finding those perspective customers that we're looking for. Say we need some kind of particular business to come into town, who is going out to find that business? Right now I don't see who that person is. This is a lot to bring under Rita and Matt's roof and who is going to have time to do this?

Ald. Krieger: The Scarecrow Fest was originally organized by the original board of the CVB and was brought in to promote Pheasant Run when the McArdles' were involved with the CVB.

Ald. Bessner: At one of the last CVB meetings I was at they were somewhat blunt/open that they had Scarecrow Fest for ten years and they did inherit it but I don't remember if we discussed who had it before. There could be gap there.

Ald. Krieger: That was the original intent to bring a fall festival to downtown and Pheasant Run.

Ald. Turner: I think we should go ahead with consolidation of the two but don't think we should say this is going to happen next year. Maybe a 5-year plan, maybe a year or two to get them into a building so they can start talking to each other, get one receptionist to handle both sides.

Ald. Stellato: Only thing is that the CVB could be gone as they are looking to fill the position of Executive Director and if we don't do things now they will fill the position. It's a timing issue.

Mark: John McGuirk and I have had a conversation on trying to preserve the certification of the CVB; that we have a CVB and Downtown St. Charles Partnership that would be a subsidiary that reports through their board and move in the direction of getting that one organization to create that organizational chart that shows where we are headed and how are we going to get there.

Atty. McGuirk: The concern was the CVB has alluded that they can't really work with someone because they need to have this identity to go to state to get funding. So Mark and I discussed some sort of merger where they would be the surviving parent of the organization but the DSCP could be part of that division and call it what you want – some piece of the organization. They're both not-for-profits so they could certainly combine in a legal sense.

Ald. Lewis: To Dan's point of their egos and pride, I agree with that and I also think they are very afraid of money – they're fighting for money. How are they going to operate without it so I think we need to give them some sort of reassurance they'll have the money to do what they feel they need to do and not feel threaten by it.

Ald. Stellato: I agree that the money is going to be the driving factor in all of this. If we're not ready to do George's and don't want to spend the money, we are going to have to do the minimum to protect the building. Can we move the CVB into City Hall and buy out their lease and use some of their reserve money to do that, live with us and start to get them use to this? The Partnership is already there and we buy Terry out of their lease. What's that going to cost them? They have reserve money to do that.

Chris: I haven't seen the lease for the CVB. I know they're midway through and they have 2-3 years to go and I don't know what the buyout clause would be.

Ald. Bessner: Their rent is approximately \$49K and the additional difference is based on storage.

Mayor Rogina: So with 2-3 years more to go the buyout fee could be six figures?

Ald. Stellato: To Todd's point, you do the math and we're not going to build out George's, we're going to fix the roof and make it secure and sell the building – we go that route. We bring CVB into City Hall, take that number and buyout the lease for \$100K and bring in \$150K from their reserve money, what does that do to the bottom line as opposed to building out George's and what is that number?

Peter: \$1M just to get to a vanilla box.

Ald. Stellato: So using that on one side of the ledger and what it would cost to buy out the lease, it might be cheaper and better for us to do that.

Mayor Rogina: If you had both of them at city hall, you really do have, in effect, a quasi welcoming place as city hall is our main house. So there is an advantage.

Ald. Bessner: Regarding the comment of waiting 5 years to merge them together, I was lead to believe we might be down a path starting next year and with the situation of money from state, we should do everything we can now for the next budget year to save anywhere from \$100K to \$300K.

Ald. Bancroft: I go back to branding of who's in charge. While I feel like it's our responsibility to figure out the most cost-efficient way to organize these groups, I think we got to get our own house in order and what does that mean? Who's going to be in charge of special events; who's is going to decide how these things are going to be branded whether these are events that St. Charles wants out there happening or not? Right now we're delegating to an organization that has a subset of the geographic area of St. Charles, which I don't think is right. The other option is one that has its own mission being the CVB, which probably isn't right. Back to the org chart concept, it really starts with us and so maybe we need to get more organized at our level first and then we can decide what to do with the groups and figure out the cost/fees. We have to have the infrastructure to decide to be able to execute.

Mayor Rogina: I heard a few things here one being with the brand. We should be in control of the brand and delegate to whoever to run that but still it's our call to make. I also heard about office space in our building is pretty cheap and somewhere else is cheaper than a million dollar vanilla box for George's. Third I may have heard that Economic/Community Development may need another soul in there. There's a lot going on over there already and there may be another need for one/two more people.

Mark: I think other groups have recognized they need more people too. One of the comments were we need to firm up our strategy for ED and need to financially support it more strongly and I think their talking more bodies.

Ald. Turner: What if one of the directors or someone in the Partnership actually becomes an employee of the City as a promotional person?

Mark: Typically what happens in our organization when there is a new position and someone is not ready, for example, we change a part-time to a full-time position. It's really a new position, write the job description, send it out for process and budget for it and people apply, and we may take on an existing person from another organization or it could be somebody totally different. So yes, they would have to apply.

Ald. Lewis: Have we settled on who is going to do the special events and what those special event are?

Mayor Rogina: I asked Mark in preparation for this session, what is staff looking for from the elected officials? He alluded to the fact here that direction on our part to staff to say in the next few months come back with a plan based on the input provided here this morning and for us to chew on. Not a plan today but instead for them to put the time parameters on it and come back with a plan certainly to be part of the budget process.

Mark: We're looking at three options. You like the idea of merging DSCP and CVB together and put the Chamber off to the side. You like putting them in the same common space. With regards to special events, we need to be more in control through some scheme either by having a person on board because we have some contractual obligation for someone to the task with specific goals. That's what I heard today. Those are the marching orders that I'm going to take back to begin to set up the implementation.

Ald. Stellato: One more thing is to have some kind of spreadsheet that shows if its more beneficial to do George's or just tighten up George's so it doesn't leak anymore and forget about it; or do we go ahead with it; and how much money is it for buying out a lease.

Ald. Bancroft: What's our obligation as a city. We're talking about economic development, people improving their spaces, etc. We own a building that's rotting in downtown St. Charles. Getting over the hump is important.

Mayor Rogina: Some of this will come in play in the next presentation. Your point has been valuable that office space may not be necessary for this project to go into George's and could be something else.

Ald. Payleitner: Mark also with your summary would you include what are special events: parades, homecoming parades, city sponsor events, etc.?

Mark: We talked a year ago about special events and there has been an absence of conversation about that since then; in part for preparing for today. With Rita, Jim and Joe's guidance, they have put together a new Special Events policy but we've never brought it out as it seem premature given the conversation that we're having right now. We've spent a lot of time and money in this organization trying to manage special events with one arm tied behind our back.

Ald. Bessner: Special events may mean everything that needs a permit as well. Lots of smaller events like marathons, etc. don't need a lot of work but at least the same person would be doing that. Lastly going back on this task in looking forward to a plan of the future was to have DSCP and CVB merge but also report to Rita.

Mark: Talking about the word report – what does it mean that Rita Tungare is a special events leader or does it mean it's in the fold of Community/Economic Development. Do we hire a person or contract that out.

Ald. Bessner: I think part of it is just trying to keep everybody on a level playing field so that we're all communicating so that no one is trying to do their own thing versus the other group. There has to be some way to let them know that somebody is the parent.

Ald. Bancroft: There's authority and then there is execution. To me the authority is here whether it's the authority over what special events are put out there; it's authority over whether it's align with our brand. Decision making and authority rests here. The only action arm that the Mayor or Council has is through staff. We got to be able to make that seamless from an organizational standpoint. It doesn't mean we have to have a staff of 12.

Ald. Lewis: I sit on the Business Development and Economic Committee for the DSCP and one thing I hear consistently at these meetings is the downtown businesses do get overwhelm with all of our special events and I would like to have some conversation about limiting them. We don't have to have a party every weekend downtown. Sometimes the residents just like to live here and be able to go downtown and get into the restaurants. I don't know how much money they really generate with all these special events – how do you measure that?

Ald. Turner: I thought we already had a limit on that?

Mark: We do but we don't track it. There is definitely an opportunity for improvement. How about we run with this and get back to you. I would like to go into our next presentation because there have been so many door openers to our executive session that has to do with Arcada/George's.

Motion by Ald. Bessner, second by Gaugel to move into Executive Session to discuss land acquisition at 9:37 a.m.

Roll Call: Ayes: Stellato, Silkaitis, Payleitner, Lemke, Turner, Bancroft, Krieger, Gaugel, Bessner, and Lewis; Nays: None. **Motion Carried.**

Resume Standard Meeting

Mayor Rogina: Ron Onesti clearly made a point about what he would like to do in the short-run, which does not involve us at all, except for the liquor license. Could we have some conversation on that?

Ald. Lemke: Regarding the liquor license. It would bother me if we start focusing on things that are outside the scope of the building or facilities. I think if we keep to the standards of the application seeing a floor plan, where the bar and tables are going; I would expect us to have that. In deference to the Chief, life safety, if we are going to put a lot of people on the top floor, I want provision for that. I think that would be fair. I would be leery about trying to extend it beyond the liquor license on Starbucks, yes or no, separate issue for one upstairs.

Mayor Rogina: So you would or would not be in favor?

Ald. Lemke: I don't want to see us going and demanding things outside of those two boxes, a box on the 1st floor, a box on the 3rd floor. That seems to stand on its own. We may reject it and ask for something else, but I think we have to say yes or no based on those boxes. Certainly not bring in something next door.

Ald. Krieger: I think we have to bring in life safety. Life safety for that 3rd floor has to be an issue whether it's for a liquor license, a dance hall or sleepover. You have to have life safety.

Ald. Payleitner: We need more than just where the tables are. It's required for a liquor license to have a business plan. He's got to have more than just the floor plan.

Ald. Silkaitis: Does the liquor license have anything to do with the actual building? They get the liquor license then they have to go through the process of making sure the building is safe, correct? Do you do the license first or do you get the building ready first?

Ald. Payleitner: He wants to get his license, I'm sure of it, so he can get his gaming license. Then he has his license in hand for a year and it may take a little longer to get everything else.

Ald. Silkaitis: He may not open the restaurant for a while then.

Ald. Bessner: Regarding the gaming license. Would he have the opportunity over a year or two to have gaming machines for each segment of the property?

Mark Koenen: The State Gaming Code allows you to get a gaming license corresponding to your liquor license. If he has one license at this address, he can potentially have 5 machines tied to that license. If it includes Starbucks, the theater and the 3rd floor he still only gets 5 gaming machines.

Tina: He's looking to consolidate all three places under one liquor license. There can only be 5 machines regardless. Right now he's separate.

Chief Keegan: It is a D2 site license. Similar to the Q-Center, Pheasant Run, Hotel Baker. It would be all encompassing. What he has to do is amend where he has beverage sales. Right now it's in the corridor adjacent to the entrance to the theater. He would have to come in and specifically where he will be selling alcohol. That's part of the site plan and part of the D2 approval.

Ald. Lewis: How many sites can you sell at when you have one license like that?

Chief Keegan: I think it's up to the City.

Attorney McGuirk: I think we have half a dozen of those D class licenses. I don't know. They all have particular requirements.

Ald. Lemke: So the clock would start for the gaming license the day the liquor license is approved or applied?

Mark: He would have to be open, pouring and selling drinks.

Ald. Payleitner: Which he already is.

Ald. Lewis: Would this start when our ordinance goes into effect? Is that when the year starts?

Round Table Discussion

Mark: Ron has big plans. He probably can do exactly what he wants to do with Starbucks based on what it looks like today. That's pretty simple. There are no safety issues. They served food in there in the past. All he's adding is alcohol.

Rita Tungare: There is no change of use that would trigger code requirements.

Mark Koenen: I think it would be difficult for any of us to say why we shouldn't give him that permit. Having said that, if you go to the 3rd floor, if he's going to have a full kitchen up there, he's going to need some kind of a health code, County permit to make that happen. That's going to take some time. From my perspective what he's going to get between now and maybe the Holiday's, if you all allow it to move ahead, is a liquor license in Starbucks.

Mayor Rogina: I heard an argument that George's should be included in this whole thing as part of a big package. I'm trying to get a sense of what we're doing in the short-run and what are our thoughts in the long-run?

Ald. Gaugel: He doesn't have a vested interest in the property right now. If we allow this to happen where he can grow his business and he's got more of a stake involved. It gives us more leverage down the road with George's. He'll be invested in that property. Let's move forward with what he has without any kind of stipulations or contingencies. Get him to fully invest his time and effort into making that the business he wants it to be. He's done a pretty good job so far. He's brought a ton of business to downtown. If he were to pull up stakes and say this is no longer economically viable for whatever reasons the City is standing in his way. I don't think he would hesitate to reduce the number of shows and potentially move out. I think we need to allow him to grow his business the way he wants.

Mark: If we're going to negotiate with Onesti and Price on this deal part of the package is to have Mr. Price extend the lease that he has with Mr. Onesti on the theater beyond its expiring in April, 2016.

Mayor Rogina: 2017. I think he's got a year left.

Mark: I want it to be longer. I don't see this as an investment in Scott Price. This is an investment, as I see it, in Mr. Onesti.

Ald. Stellato: I don't want to get away from and I agree with what Steve is saying, we want to encourage growth and development. Rita brought up a point about \$1.75 tax and we'd like to add more tax. I'd like to have that be part of this conversation for the long-run.

Ald. Payleitner: Yes, what is the use of that?

Ald. Stellato: And how can we involve Chris or Sikich to audit these books.

Ald. Bessner: Just to be clear. What I'm espousing is not making a George's solution as a condition to opening a restaurant or a liquor license. I think it does have to be a part of a weighty conversation with them and why we think it's a better solution, when and if they do some redevelopment, which is the \$100,000 request.

Mayor Rogina: That piece would be a springtime position \$100,000, they are going to put the air conditioning in and washrooms on the 2nd floor. Starbucks has the washrooms on the 1st floor, there are washrooms on the 3rd floor, he's talking about washrooms on the 2nd floor and the match, \$100,000 they are going to put up and the City is going to put up.

Ald. Bessner: I believe the George's solution is a much better solution.

Mark: Mr. Onesti really wants George's, but for some reason he doesn't want to go there right now because he thinks he's got a quick answer in the Arcada. Mr. Price is interested in bringing money to the table.

Ald. Payleitner: The speakeasy on the 3rd floor doesn't answer Mr. Onesti's concern for dressing rooms and a green room.

Round Table Discussion

Mayor Rogina: Mark can you summarize for the Group what you thought you heard short-term and long-term?

Mark: First of all we have applications in front of us now for liquor permitting for at least 2 more locations. It's going to go to Liquor Commission. I think the conversation is going to be centered on getting the details of their business plan. I would suggest we issue liquor licenses for expanding it based on what he can come back and demonstrate he can build in the short-term. I think the short-term is really going to be Starbucks.

Mayor Rogina: Joe, is there any way shape or form is it feasible that he is going to be able to address your concerns for the 3rd floor?

Chief Schelstreet: What I'm asking for is the time to look at it. We can make anything work. What was of concern to me is the schedule that was being put forward. Can we do that? I believe we can make it work. Can we do it in the timeframe that was indicated? I have questions.

Mayor Rogina: The 16th of November is when it's going to come to Liquor Commission that leaves about a week for your crew to get in on the 3rd floor in particular about exiting, etc.

Rita Tungare: I think we need to start with the Chapter 34 we need to get inside the building on the 3rd floor, take a look at what's needed to be done. I'm on the same page with Chief Schelstreet.

Mark: In terms of summary, I think when it gets to Liquor Commission, whatever he's submitted, the Commission may say; Yes, but at this point in time we're maybe only willing to deal with the Starbucks building.

Tina: We're dealing with a time factor of only 5 days next week to have the Police Department be able to look at his application. I don't know what shape it's in. I just know it came in yesterday in a manila folder. I don't know how ready we're going to be to address that. He may have to come in for a discussion only because there are so many issues.

Chief Keegan: The big thing we need is to keep it as a D2. There is no change in ownership or any subleases or Starbucks or upstairs. We would need a site visit and work in conjunction with Joe and Rita's office to make sure they are compliant with codes. The background pieces can move pretty quickly.

Mark: The other piece I heard today; how does George's integrate or not integrate with the Arcada Theater? I really think that this should look like a redevelopment agreement. I think it will define terms for what he's going to do, what we're going to do, when the payouts occur, and have a timeline associated with that. I think when we do have the conversation Ron Onesti is going to say he want's George's, Mr. Price is going to want it too, and they will want us to pay for it, and I think that's where it will get sorted out.

Ald. Stellato: There was a point about starting the process to put the building on the market. We could be working on that so that we know what the process would look like. If he does come back and says he doesn't want George's; we have to figure out what we're going to do with this building. If we're going to sell it; I'd like to know more about that process.

Mark: I think as a landlord we need to do that because we're setting a really poor example as the City of St. Charles.

Ald. Bessner: I agree with Steve that there is a difference between being able to legally do it and being able to do it out in the public. I don't think that's a project that we want. It doesn't make sense; it's a lot of resources and a lot of time.

Mark: It's a choice.

Mayor Rogina: You have a national historic landmark sitting there. If Mr. Price allows it to go downhill, the question is what is the City's obligation with respect to condemnation of a protected landmark? I agree. I don't want to go through all of that if at all possible.

Ald. Stellato: The one thing we have always had working against us is this is a very successful business. The public is thinking everything is going very well. Some of them don't know about the air conditioning and bathroom issues. For us to reach out and give them a lot of money...

10:55 AM – 11:05 AM – BREAK

POWER HOUR – NIMS

Chief Schelstreet: If you recall we just had Emily sworn in, thank you to the Mayor for enduring that oath of office. We are an accredited organization; the intent now is to move the organization forward by taking those planning documents and putting them into practical application. To the recruitment process, we were looking for a candidate that

had those practical skills to take us to the next level. That's why Emily is here, she fit all of those requirements.

In the near to mid-range future we will have a functional exercise. Functional means we will actually be moving assets around. We would have Council involvement in a couple of different ways. In a full scale operation of the Emergency Operations Center (EOC) this body has a roll. You would be in the EOC as the Policy Group. When policy decisions come up Staff would be the operational section of the EOC, enter the policy section and the Council would make decisions based on the circumstances presented at that time. Continuity of government after a tornado is much different than continuity of government on a daily basis. That's where we are headed. We want you to see in this exercise not only how that looks, but also we are envisioning taking you out and seeing what the results of your decisions would be. For example, if we are going to move debris to a certain location then we would show you Public Works is moving debris, that's what it looks like. The tendency for people who are doers, like ourselves, is to want to be involved out in the actual incident. Where the best use of Council would be is in those policy making areas. We want you to see how that all works and get you integrated into the system.

Additionally, as far as the requirements for the training, staff has recently participated in 2 exercises. One was a table top of a tornado where GIS did a lot of mapping and we went through the different functions. The other was a full functional exercise on distribution of the Strategic National Stockpile. The Federal Government and the CDC maintains throughout the Country reserves of medicines. These medicines are saved to be distributed when we have certain events: Pandemic Flu, terrorism. We maintain a list within the City of those folks that we consider critical employees. That means in order to run the Government, to continue to function there are certain folks that are considered critical, that list of folks all came down to this building and we went through how to distribute. Our plan is to designate everyone as a critical employee and here's the reason why; if you're not designated as critical you're not on the first distribution list. You wouldn't get medication right away. Medication is for you and your family. We need you here. I would consider you all critical. We have continued to make that argument for our list, therefore we are really encouraging all of you to go through the training. I you don't complete the NIMS training does that mean that you won't be on the list? No, but what we are saying is, when we go to the CDC and tell them we need 500 doses and they give us 200, we are trying to make the argument that we need the entire 500 doses.

Additionally, we are putting in for grant money. In the interim between Paul and Emily I submitted an application with IEMA for some grant funding that would pay for up to half of her salary. As we continue to move forward as a city IEMA came out and they went through everything with Emily. We are looking good for our application, but the more we can do collectively the better we look as an organization to get that money from the State.

Emily will be contacting you shortly to discuss training and whatever she can do to help facilitate that.

Ald. Payleitner: Those of us that have already had our NIMS training will she still be calling us?

Chief Schelstreet: She will be contacting you to go over where we're going to go next. What I'm really interested in is all the stuff that came out of 1, 2 and 7. That's our first step to make sure everybody has that, then we'll formulate a plan on where we need to go next.

Ald. Payleitner: Whoever was in charge, that first distribution was a huge selling point, don't lose that.

Chief Schelstreet: What happened was we went through and looked at who was required to keep the electric on, the power, obviously law enforcement and what not. We came up with what we thought was reasonable to sell to the CDC. I am absolutely committed to saying everyone here is a critical employee. I have to make that argument to the CDC.

Ald. Payleitner: What percentage of our Council is already in compliance?

Chief Schelstreet: There are 3 that haven't got everything. We're working on it.

Ald. Payleitner: If something happened tomorrow we would still have a quorum.

Chief Schelstreet: Absolutely. Like I said, I want to push grant funding and argument to the CDC. In practical matters, once we have a functional exercise a lot of these things will start to make sense.

Ald. Payleitner: It was very informative.

Mark: Rita Tungare is going to talk about a topic we discussed earlier this year and it's triggered from the 1st Street proposed liquor mart in a retail zoning area and there was a recommendation that we close the hole on this donut to eliminate this opportunity for a package liquor store in this type zoning area.

Zoning for Liquor Stores and Related Uses

Rita T.: Earlier this year we heard a concern about liquor stores in isolated pockets of areas that were zoned for commercial use but are within the residential neighborhoods.

(Slide # 2, p. 2, Current Ordinance) In our current ordinance retail sales is a general category. What does that mean? That sale of all types of merchandise is pretty much non-differentiated on zoning ordinance. It all falls with retail sales. Land use does not

differentiate that. We don't breakout package liquor sales or cigarette sales. Retail sales is permitted in our entire commercial and mixed use districts. That would be the BL district, where the Mini-Mart is located, the BC and BR district, these are our commercial districts in St. Charles. Also our CB1, central business district and the CB2 district which is a mixed use downtown. In addition to that retail sales is also permitted in our BE transitional overlay business district. That's a district that allows for low-intensity proportion and office uses within our traditional residential neighborhoods. That's a process to get that approved but we have a few parcels that have that overlay district close to our downtown area and residential neighborhoods.

(Slide # 3, p. 3, Proposal) In order to alleviate our concerns about package liquor sales and comparable uses located within our residential neighborhoods we thought it would be best to create a new use category. That use category could include: package liquor stores, tobacco/cigar and e-cigarette stores and hookah lounges. The reason for the hookah lounges is that over the past 3-4 years on occasion we will get an inquiry for a hookah lounge. Right now our zoning ordinance is silent. It doesn't address hookah lounges. We thought we were going to address the issue we would look at it a bit more comprehensively and try to group all types of uses together. Also, bars and taverns are a separate use in our zoning ordinance. Those don't fall within liquor sales, it's already addressed in our zoning ordinance and regulated with its own zoning districts.

(Slide # 4, p. 4, Proposed Locations for Liquor Stores and Related Uses) This is what we are proposing in terms of where we can limit where these types of uses can locate. What we would do is if we created a separate use category we can limit where it's located within the zoning district. We could allow this in our major retail and commercial shopping areas. That would be the BC and the BR zoning district. We could allow it along strategic regional arterials. Any properties that are located along Main Street, Randall Road, Kirk Road those are the designated strategic region arterials within St. Charles. Our downtown core, recognizing that we have a variety of uses within our downtown area, maybe it's okay to allow this type of use, this is all subject to conversation/feedback from the elected officials, but that's our strategy going into this.

(Slide # 5, p. 5, In Terms of Zoning Districts) Would it permitted, in the spirit of protecting our residential neighborhoods, would it be permitted on these isolated locations within our residential neighborhoods or within the areas adjacent to our residential neighborhoods? It would permitted in the BC and BR zoning districts, it would be liquor sales, e-cigarettes stores as well as hookah lounges would be permitted by right in those areas. It would also be permitted by right in the CBD-1 Central Business District which is our downtown core. It would be permitted in limited locations in the CBD-2 mixed use district only along Main Street. If you look at the slides in your folder I have provided some maps which identify where those corridors would fall in the zoning districts. In the BL Local Business District it would only be allowed along Main Street, Randall Road or Kirk Road frontages. Those properties within the BL District front along these arterials, that's where that group of uses would be allowed by right. If it's isolated, like the Mini Mart location, it would not be allowed by right. It would not

be permitted at all in the BD transitional, Business District. As I indicated that transitional business district overlay is an overlay over our traditional residential neighborhoods.

(Slide # 6, p. 6, East Side Downtown Map) Rita discussed and referenced the zoning areas on the East side downtown map.

(Slide # 7, p. 7, East Side Downtown Map) Rita discussed and referenced the zoning areas on the West side of downtown map.

(Slide # 8, p. 8, West Main Street & Randall Road Area) Rita discussed and referenced the zoning areas on the West Main Street & Randall Road Area map.

(Slide #9, p. 9, Impact to Existing Businesses) Most existing businesses would meet the proposed criteria. The Lundeens on both the East and West side of town would meet the proposed criteria. One-Stop Liquors at 14th and Prairie Street would become a legal conforming use. That means they are grandfathered in, they can continue to exist as the current business. If they go out of business and remains vacant for 180 days (6 months or more) then the use has to come into conformance with other permitted uses within that zoning district. After 180 days it cannot continue to function as a liquor store.

Mark: Is One-Stop Liquors, 14th and Prairie legal conforming or legal non-conforming use?

Rita T.: It's legal non-conforming use.

Ald. Lemke: State Street in Geneva in the area around Bricher, have you considered that? You have Binnys, you could have others on State Street, Geneva.

Rita T.: Binnys is conformative because it's in the Regional Business District.

Ald. Lewis: What about the old St. Charles Mall, if retail was built?

Rita T.: It's currently zoned retail businesses. It would be allowed over there, the old St. Charles Mall. As in the Quad site, that would be permitted by right as well. We're talking about package liquor sales and cigarettes, not bars and taverns. That's a whole separate category.

Ald. Turner: What about the vacant lot at 14th and Rt. 38?

Rita T.: That is zoned, if I'm not mistaken, community business district, it would be permitted there as well.

Ald. Stellato: We talked about a couple areas in town that are not annexed, Heinz Greenhouse or Golden's Farm? We would have nothing to say about that if they came to

the County and asked for packaged liquor license sales, they wouldn't even come to us, right.

Rita T.: No, they wouldn't even come to us. It's outside our jurisdiction.

Ald. Lewis: What about the Mini-Mart now it sells cigarettes?

Rita T.: They would be considered legal non-conforming from that standpoint from what they sell today. If the Mini-Mart when out of business or if they wanted to sell anything more than cigarettes they can't do that. If they went out of business and remained vacant for 180 days they cannot sell cigarettes.

Ald. Lewis: If another convenience store came right in and bought it then they could sell cigarettes?

Rita T.: Correct, because they are doing that now.

Ald. Krieger: What if they were to rehab the building?

Rita T.: It's triggered by change of use.

Ald. Bessner: In regards to properties that you've talked about that have to be on arterial frontages. Is it done by address or are there some properties that might have a side road address but still an arterial road?

Rita T.: If the property itself, because it's by zoning district, fronts the strategic region arterial if their adjacent to the strategic region arterial they would be permitted. It would be by address, by frontage.

Ald. Bessner: Do we have any Hookah bars now?

Rita T.: We don't. We've received inquiries and were able to discourage them because a zoning ordinance was sited.

Ald. Bessner: What is a Hookah bar?

Chief Keegan: Its herbal natural tobacco products. Sometimes they use tobacco products, it's herbal synthetic tobacco. A hookah is a centralized pot is used to burn and there are tubes and everybody smokes. The Smoke Free Act of Illinois says that if you're using tobacco products indoors it must be in a freestanding building it can't be in a strip-mall unless they opened up and were operating before the Smoke Free Act when into effect. If it's synthetic products, like hookah, that would be up to interpretation by the Council with potentially home rule authority. If it's tobacco it can't be used in a combined strip-mall type setting.

Rita T.: (Slide #10, p. 10, “Donut Holes” Where Liquor Store Use Would Not be Permitted) The “donut holes”, the Mini-Mart on S. 3rd Street, 14th Street & Prairie Street and Parcels the Cadence Medical Office Building at N. 5th Avenue, the Delnor area, that’s where these would not be permitted.

The CBD-2 and the BT overlay parcels on the fringes of our downtown that’s where it would not be permitted anywhere.

Ald. Lewis: It’s still not permitted in convenience stores because of the size/square footage?

Chief Keegan: If you want to sell alcohol products in a convenient type setting it has to be 10,000 sq. ft., otherwise it has to be a minimum of 2,000 sq. ft. as a self-contained liquor store.

Rita T.: That is the liquor code piece of it, from a zoning standpoint we would look at a Walgreens as retail sales. What this means is stand-alone package liquor, e-cigarette or hookah lounge.

(Slide #11, p. 11, Process) In terms of process here is what it would look like. Again, we’re not married to the proposal on the table. The Council may choose to go in a different direction. You have choices. What we came up with is what we thought is a happy medium, some think that’s impractical to allow it within certain zoning districts and not allow it within certain areas, which are the donut hole areas adjacent to the residential neighborhoods.

If we decide we want to move forward with the proposal here is what the process looks like. We would have to amend the zoning ordinance. It goes to the Plan Commission for a public hearing and recommendation. It would go before the Planning and Development Committee for recommendation and then the City Council for approval. That entire process would probably take about 60 days. Based on direction we receive today we can initiate that application immediately next week if that’s the Councils decision.

Rita T.: As usual above and beyond in offer of explanation and follow through. Thank you, Rita.

Everyone was in overall agreement to the proposed plan.

7th Avenue Creek

Mark: There was a Public Meeting last week; Peter is going to give you a presentation to give you a sense of what we need to do to move the project forward and also what some of the costs for this project look like.

Peter: I would like to first thank you all for participating in the public and private meetings we have held over the last several weeks.

Mayor Rogina: I want to thank you as well; I thought staff was very efficient in their presentations.

Peter: I first want to state that City Council input as well as Public input is vital to this project. This is not a typical Public Works project; this is an extreme, complex project. I want to outline the complexity of the project and continue this process in regard to a study. We are a long way away from a shovel in the ground on this project. Before we move forward, I would like to briefly discuss the design options; I also want to give you feedback on the public meetings and summaries of your comments.

We are studying the 7th Avenue Creek as well as the tributary area which joins with the 7th Avenue Creek. It is a highly problematic residential area. We have discussed two options; an engineered option and a Greenway option. These two options are like bookends, and the reality is that we are going to land somewhere in the middle. We recognize there are obstacles with Option 1; private property, homes, commercial properties, retaining walls, trees, existing landscape. The engineered solution in Option 1 recognizes the obstacles and tries to solve solutions that minimize the disturbance of existing obstacles so most likely the proposed creek improvement will be exactly where the creek is today. There is no modification from the creek bed area. We have identified that there are land acquisition purchases, most likely. That is just suggesting that we don't have an engineered ways to solve problems for some homes in the area; there certainly are ways, but they are not valued, respectable engineering solutions. No matter what we are talking about, there is land acquisition in both Option 1 and Option 2. We recognize the grant funding for this option is low and has a price tag of approximately \$13,000,000 in today's cost.

Mayor Rogina: When you talk about grant funding, is that Federal grant funding as opposed to State?

Peter: I think it is more Federal and State related. There may be local funding that could apply that we will be looking in to.

Option 2 is removing the obstacles that we talk about in Option 1. If we have the ability to remove the homes, landscape and small culverts underneath the roadway, we end up with a nice park. Then the river does exactly what it wants to do naturally, which is meander through an open grass area and be a dynamic looking space. Is this practical for the entire length of the creek; probably not. We are going to be doing a lot of stream restoration with a lot of native plants and that's where the grant funding portion opportunities are heightened. If we put native plants in and allow the creek to meander naturally, the water quality is going to get better, so if we can prove the water quality improves, grant funding is high. There will definitely be land acquisition with this option. Project cost \$22.3 million which is substantially different from option 1.

We have a survey on our website and we have had most residents in the community and complete the survey. 63% of the affected residents consider the creek an amenity; they moved here for a reason and they like the creek. 73% of the residents have owned their homes for 10 years or more; this is critical information because we have long standing residents in this area, and 86% have basements, and 86% of their basements flood. Option 1 is the engineered solution. The public likes the fact that this is the easiest, lowest cost and quickest solution and impacts the fewest homeowners. There is a common theme regarding the dislikes, and we may have presented this wrong – their concern is that we are going to make the creek an unsightly ditch and leave it a concrete shell or an excavated dirt pile. That is not the case. If we go with this option, we will go back after the project is complete and restore the creek banks. It's going to be a nice project at the end of the day. It is certainly going to look different than it does today. The residents also like the environmental aspect; they do have an idea of improving water quality and environmental concerns in this area.

Option 2 – they like this project creates an open space with parks and trails. That is a common theme as well, including with. I think most people like the idea that this can be an impact project to this area and we can create an area that is desirable for the neighborhood. They like the idea that it is environmentally friendly, aesthetically pleasing and better funding opportunities. They do not like the longer implementation time and higher cost.

Funding – the public are concerned that the City will not act on the project if we rely on grant funding. That is probably a reality of this project, but the public is telling us that they are concerned about receiving grant funding before projects move forward. We have had discussions of where the funding should come from; should this come from a neighborhood group? Is this a City problem or a neighborhood problem? There needs to be more dialogue on that. If this is really a neighborhood problem, should an SSA be set up for that neighborhood to fund a portion or the entire project? Again, the City will not move forward quickly on this project option due to the costs.

Property acquisition is a topic that tugs at the heart strings and is going to be vital to moving forward with this project. I think the tide has turned in the feedback that we have been receiving from the public. The question that residents are asking now is when we are going to buy their property for a fair and equitable price; residents understand now that it is a necessary part of the process. That is a much different response than we had a year or two ago when residents said they wouldn't sell. We don't know the answer yet as to whether this change in attitude a problem or an opportunity.

Moving forward in the next 18 months, we have to continue to develop the two options we created to get to a final solution. We have to retain our engineers to take public comments to understand everything in order to develop a common hybrid solution before we go to the design stage. Before we do that, we want to revisit our project goals. If you asked me what the project goal was a year ago, our only answer would have been to reduce the flooding. However, we have learned over the past nine months that there are

economic opportunities, water and environmental improvements; we need to analyze all those things to see if they potentially rise to the top as project goals, or is our ultimate goal still to only reduce flooding. We are going to develop this hybrid option with public and City Council involvement; staff will work with our consultant and FEMA as part of this process. We have received Elevation Certificates of the properties and are evaluating them now. That will have an effect on this hybrid option, and cost funding will certainly be a consideration as well as the land acquisition program.

I have developed a chart of the financial impact over the next 18 months. By developing these concepts, there are cost implications, mainly for consulting services. We can't do this on our own and need to retain our consulting engineers to do that for us. The financial impact of developing the Master Plan is somewhere between \$90k - \$100K. As we phase the project out, each independent project will have its own cost associated with it, including inflation costs. We want to look at a Cost Benefit Analysis as well, including the financial, environmental and sustainability impacts; whatever we create we are going to have to maintain and we have to know how that impacts us in the future.

We also have to take into consideration the property tax impact; if we eliminate 7 homes vs. 30 homes, what financial impact does that have? A project this complex is going to be phased over time; five to 25 years and beyond. We want to identify the low hanging fruit projects, but we also want to identify the high impact projects to give us the biggest bang for our buck. So the financial impact in the next 18 months is \$80k - \$100k. Once we develop the phasing plan, we are going to implement a series of projects which will take on the look and feel of a typical Public Works project. In 15/16 and 16/17 we are still developing concepts. If, out of that process, we identify the first project, we have to design that project in 17/18 and in 18/19 we have to permit that project and the shovel is going to go in the ground the earliest in 19/20, so you can see the length of these projects. Some of the low hanging fruit may be important for us to identify up front so we can show the public that we can do something small along the way as this develops.

Funding is going to be a key component recognizing that we are talking about \$13 to \$25 million. There are multiple grant funding sources that we are going to dig in to. I have identified what we are calling the Watershed Master Plan, and I won't get into the details of what that means right now, but I do want you to realize that is a \$100,000 commitment and a requirement for the IEPA Grant, so that is something we are going to have to do to get ready to even be able to apply for an IEPA Grant.

We talked about Special Services Areas (SSA's) as a funding source, as well as revisiting the conversation about the Storm Water Utility and the potential of going to the General Fund. The good news is there are some low interest loans available for Storm Water projects which is a concept similar to how we do our water and wastewater projects. The financial impact including the \$100,000 for the Watershed Master Plan is \$130,000 to \$150,000. The Buy Out Program is a key element. We can do what we are continuing to do now, which is buy properties as the homeowners come to us. We determine if it's a

Tier One or Tier Two property, we bring it to Executive Session; we agree on the purchase price, negotiate it and move forward.

What we are talking about in Option 1 is the potential of purchasing 13 homes at a minimum, and we are talking about purchasing 30 homes in Option 2. So City Staff is recommending we develop and understand a Buy Out Program. Our audience is asking for that program as well. Eminent Domain is an option, but I don't think we want to go there, recognizing the current conversations with the community. Relocation is an option; we have had people tell us to buy their house and relocate them somewhere else in the City. Financial impact for FY 16/17 to develop that program is \$30k - \$50k. I think we are going to get a lot of people who want us to buy their property, and whether it's a Tier 1 or Tier 2 opportunity, we will bring that forth. A million dollars will buy us four or five homes. It's not in the budget, but it could be a budget addition as those opportunities come forth.

Public outreach is going to be huge as well. We recognize that communicating with our public, especially on this type of project is critical. We will be developing marketing campaigns and continue to have public meetings. I don't think we need to get to the point where we need a referendum on this project, but perhaps surveys go out to understand before we plan our final option. The FEMA process that is running parallel to this is critical because it is going to impact property insurance about a year from now. All of those questions are going to be sent to the City as well and we want to be able to assist with those answers. The financial impact is going to be \$20,000-\$40,000 in this next fiscal year.

There are Economic Development opportunities particularly around the Main Street area. In our private meetings with you, we discussed alternate engineering solutions as an Option 3. Are there Options 4, 5 and 6 that we might consider, such as expansive detention ponds before the creek gets to the Fox River. There are other alternatives we are looking as well.

We will be back to you in the very near future because we need your feedback on this project moving forward.

Ald. Krieger: Would it be to our advantage to start cleaning up some of the creek areas to help the water flow? There is lots of trash and tree branches and some people have used it as a dumping area for their yard waste.

Peter: We do to some extent, but the tricky part of that is that all of it is on private property. The Public Works Department has, on special occasion, gone and removed a tree or picked up trash as needed.

Ald. Stellato: A funding source I would like you to consider is an SSA; you talked about an SSA for the neighborhood, but how about an SSA going further east to the Industrial park where a lot of this begins; all those detention ponds funnel to the creek so the SSA

money could be from the Al Piemonte tip. Can we use development fees for any project being developed in that area? Have developers pay an extra fee for that. Also can we look at the wetland banks to trade property? I don't have time to go into each one of those, but there are four sources I would like us to look at.

Ald. Bessner: Is there any connection whatsoever with funding with agencies that might tie into any possible other project?

Peter: That is a great question, and the next 18 months may provide us that answer.

Special Service Area 21

Mark: The next topic SSA 21 located out by Jewel by the northeast corner of Kirk Road. There is detention basin out there that needs some maintenance. There is an SSA in place for that purpose. The reason we're sharing it with you is that if it appears on your tax bill it will be an increase to the tax bill to the people who own property out there. It's just the commercial area, not the residential area but there will be increased sensitivity when they see this on the taxes. Chris is going to go into some detail about how their tax bill has changed from 5 years ago to what it might look like in the future from the implementation of the SSA.

Chris: There are a couple of purposes in terms of bringing this to your attention.

1. This is an FYI; you may hear comments or get questions from businesses owners or property owners out in that particular area.
2. To gain an understanding of whether there are any objections to some of the policy recommendations that staff is making regarding the SSA, the tax bill and how those items flow together.

(Slide #2, p. 2, Special Service Area 21 - Map) SSA-21 Northeast corner of Main Street and Kirk Road and essentially runs all the way up to Foxfield Drive including the storm water detention basin. That's actually going to be the star of our performance today. It terminates on its East boundary at its lot line with the Quad. It only encompasses commercial property. Right now there are 5 commercial lots that are out there.

(Slide #3, p. 3, Special Service Area 21) The SSA was established back in 1998 when that particular area was developed. The ordinance specified there were two purposes for the special service area that were established within that ordinance.

1. Infrastructure in that particular area was funded by a City body issue for streets, curbs, lighting, signalization, utilities, etc., including the storm water retention system and retention basins. The bond issuance was actually funded by the special service area tax that is currently being levied on the particular parcels in that special service area.

2. Annual maintenance and operational costs related to the project. Again, the project includes those storm water retention areas.

(Slide #4, p.4, Special Service Area (Cont'd)) The debt service levy actually the general obligation pledge rate is unlimited. That rate is currently about \$1.97 per \$100.00 of EAV that compares to about a \$.90 general operational levy of the City overall. The maintenance and operation levy is limited to .50% of EAV. As we went along back in 1998 the bonds were issued the project was substantially constructed and the debt service levy is being collected on an annual basis. We've made the principal and interest payments on all those bonds, we're up-to-date, there are no default issues. There is part of the project that is not developed yet. We'll talk about how that figures in right now.

(Slide #5, p. 5, Special Service Area (Cont'd)) We issued, back in 1998, the bonds and went ahead and put in the infrastructure. However, because the parcel is not fully developed we had about \$875,000 in bond proceeds and investment interest earnings that were never spent on the project. It probably goes back to about 2010 that we started talking about what we were going to do with that \$875,000 because the property owners were aware that those proceeds were on hand. We looked to see if there were any projects at that time on which we could spend the \$875,000. It had to be limited to special service areas, but we didn't have any projects at that particular time.

In October of 2012 we called \$875,000 in bonds to lower the debt service payment by about \$58,000 annually. That flowed through to a lower property tax bill for the SSA portion of the levy for those 5 commercial parcel owners as a result.

(Slide #'s 6-10, p. 6-10, Special Service Area (Cont'd)) Chris referenced pictures on slides 6 – 10.

(Slide # 11, p. 11, Special Service Area (Cont'd)) The project to rehab the special service area detention basin right now is estimated at \$310,000. There is no funding available. We have ever levied the annual maintenance property tax. That ½ of 1% within the SSA has never been levied. The EAV for those five commercial properties is approximately \$5M. That means that we would be limited to .50% of the EAV x \$5M or about \$25,000 in collections. Currently we have included the maintenance levy we could go ahead and levy it and roll it forward. We are considering approval of the tax levy in December.

(Slide # 12, p. 12, Special Service Area (Cont'd)) Staff proposal: Clearly there was an intent for the SSA to pay for maintenance and rehabilitation of the project based on the way the language of the ordinance is written that authorized the SSA back in 1998. Staff is proposing that we lend the money to the special service area from the General Fund and pay the debt of the SSA back to the General Fund from the annual SSA maintenance collection. It allows for some interest earnings from the SSA. I had our bond consultants and devise an amortization schedule as though we were borrowing the money and issuing a bond to do this. I would anticipate that we would treat that as a bond issuance from the SSA to the General Fund. The General Fund would hold the debt and take the annual

payments in from the SSA. Based on the collections that we currently get, allowing for a very low increase, it would take approximately 17 years for repayment.

(Slide # 13, p. 13, Special Service Area (Cont'd)) The downside: The SSA property taxes would increase for those 5 commercial parcel owners anywhere from \$2100 to \$12,675 per year. They would see an increase of about 25% on their tax bill. Parcel owners have enjoyed the savings from the bond call of about double that. The lowest amount that was saved as a result of the bond call has been \$4800 the highest amount is \$29,000 since October of 2012. With the maintenance levy if you net out what we intend to increase versus what they say over the last couple years as a result of the bond call, they still end up saving somewhere between \$2100 and \$16,400.

(Slide # 14, p. 14, Special Service Area (Cont'd)) The purpose today is to bring to your attention and staff intends to proceed in 16/17 budget as outline unless you have objections.

Ald. Silkaitis: No objections, but do we have any of these problems in any other SSA's?

Chris: We've met with Public Works and are going to establish over the next 12 months taking a look at the retention areas. Particularly those that the City has responsibility for and making sure that if we see these issues coming it would be a policy discussion at a future retreat or committee meeting as to whether or not we want to start implementing some of these maintenance levies. There are whole host of them out there that are dormant and as homeowner associations have their obligations, some will do it, some won't. We need to know where those problem areas are going to be and start accumulating some funds.

Ald. Silkaitis: Going back to when we decided to call in those bonds. Would we use that same procedure again, or is that something we shouldn't have done?

Chris: At the time we didn't know this project was out there. If I had known that project was there, I would not have advocated calling the bonds.

Ald. Silkaitis: I'm not saying you did anything wrong I'm talking years down the road. I just don't want to get into this situation again. Maybe change the way we look at SSA and the funding.

Mayor Rogina: Any objections?

No objections from any of the Council members.

12:15 PM - Break for lunch

Afternoon Session Resume @ 12:52 pm

Police Department Study: Peter Suhr, Jim Keegan, Chris Minick

Peter: We've got a big agenda for today. We're looking to hopefully have some time at the end to get some feedback and discussion on this. So, the agenda for the day is we want to review with you the goals for the project. Some of these slides you've seen before; some you haven't. But we want to make sure you understand what our goals were for the project as we develop these concepts. We want to build a bridge to today and get your feedback around what we've done in the past; so there is a little bit of repeat information here, but, again, just to get us up to speed and understand what we've done in the past will be helpful in the overall presentation.

Jim and I have been busy over the past nine months with our consultants and we're proud of some things we've accomplished over that time, so we're calling this a due diligence phase and we want to tell you a little bit about some of that work that we've done.

We received an appraisal of the existing site and the building. That was something that was requested of us and we knew that there was a need for making decisions in moving forward on this project. We will give you the results of that. We also have concept plans that were developed. We've developed probably about 15 concept plans, but we've narrowed that down to five that we're going to show you today in the range of thoughts and ideas. We have costs that are associated with those concept plans and master plans that we'll discuss as well. And then we want to review the goals again and analyze them in what we're calling the matrix. That's actually the sheet that I just handed out. This is a way for us to analyze the goals based on the options that we've presented and see if any of those options float to the top. Then in conclusion, we'll have questions and answers at the end.

Project goals: we have four overall goals here. You can decide, and we can certainly discuss adding to this goal list, but Jim and I thought that these were the four goals that really capture the spirit of what we're trying to accomplish with this project. The first goal, I would say, is probably the Police Department's goal. The police department should have a highly functional building allowing staff to do their job most efficiently. Goal number one is that we need to provide a facility for the police department to function the best that they can. We recognize that with the current facility that it's undersized and you've heard that before. The layout of the building does not allow them to maximize their functionality within that space.

Goal number two is what I would call the Public Works goal. That is to develop a police department that should be constructed in a matter that is sustainable, considerate of future needs, and meets current codes. Public Works is interested in creating and having a building, like all of our city buildings that is weather tight, energy efficient, and is sustainable in regards to maintenance costs on an annual basis. Something that doesn't allow us to pull our hair out every day with the problems that happen within the building

today. Public Works' goals are a little different than police goals, but I think are very comparable with regard to priorities.

The third goal is recognizing the scope of this project and the cost. We wanted to certainly identify the cost of the scope of the project and be comparable to the quality of other city projects, other comparable police facilities, and contextually respectful of adjacent structures while being cost effective. What we're going to show you today is not to say we're recommending the Taj Mahal for the City of St. Charles. We recognize that there's a standard here in St. Charles. We understand that the standard is at a certain level; designed to certain standards and built to a certain standard. And I think that we're going to show you all solutions and suggestions for that level of responsibility for the way we are proposing to construct this building as well.

The fourth is really a community statement. The entire community should be able to reap the rewards of the use of this building and the service it provides our residents, businesses, and guest-visitors. A strong but welcoming public image is desirable. We really have talked a lot about this being a community building. A safe haven, perhaps; a friendly building to be recognized and to be part of. You'll see, as we develop, go deeper into this conversation that we're proposing a community room in the space, which is a multi-function/multi-purpose type of space that could be used by the community. We want to welcome the community; this is really a community project.

Project History: I'll fly through this because these are slides and information you've seen before. The existing building is 30,500 square feet. As you know, it's been built over a series of decades. We've identified nine different structures. This slide shows the seven different components of the building and it has built upon and added to as time has gone on. The number seven blue square identified on the slide is the city's water well and is part of this complex itself. The survey and site information (blue line) represents the Fox River; the hashed area represents the building itself; and then you can see the parking, and so on and so forth.

The existing police facility is within the 100-year flood plain and is identified in the red line and you can see how close it is to the building. Current code suggests that the police facility, or really any facility along the Fox River, needs to be three feet above the flood plain elevation – the first floor elevation needs to be above that. They currently sit at 1' 3" above the flood plain; so it's well within under that current code. It is grandfathered in so if we don't do any construction to the project, we don't have any concerns, and that's why we've been able to continue to keep it alive in this space. But, if we look at a major reconstruction, that certainly will be something to consider. New codes also suggest, by the US waterways, that a 15-foot buffer space is required for new developments from the edge of the river to the edge of the building. We're well within that 50 feet right now. And, as you can see, and as you know, there are a ton of utilities within this space and on this site. They're all the purple, blue, and red lines that you see that kind of make this picture a little difficult to read. They're all independent utilities that are under this site:

water, gas, electric, wastewater, storm, etc. That's the site that we're dealing with right now.

We did an exterior conditions analysis in 2013 and as part of that study, we identified that new roofs are needed to be replaced on the entire complex. They're shot and their time has come and they need to be replaced as part of that 2013 report, within the next five years, so we're kind of coming up to that point and we have seen some leaking in recent years that we are doing a lot of patching and continue to keep building components moving but we really need to do a rehab on the roof. The parapet wall is a wall that extends over the top of a roof. The parapet wall in this particular building is the triangle piece. It's kind of a freestanding wall. We've identified that needs to be rebuilt. It's in structural stress. An independent study that we did just after this identified structural analysis of that wall, and I'm glad to say it is safe, but it is something that we'll have to look at and study every year to make sure that it remains safe. So there's some consideration there. We have talked a lot about these buildings having about 37 different brick types. Some people might like that look; it gives that historical nature, but from a construction perspective, it's really difficult to maintain buildings that have that many different brick types. New windows, the Chief wears a winter hat in the winter time because snow blows in the windows and in his face, that's a concern for the people that occupy the building, and so the building needs all new windows, garage doors, etc.

In 2013 \$1.5M was identified as an improvement cost to just weather tight the exterior building. That's the solution that we did with the municipal building. We did a similar study with that and we chose to weather tight that project and that was about a \$1M project. At this point in time, in 2013, that's really what kicked off this study. I think we, as a community and as a staff, decided well before spending \$1.5M on just renovations to the exterior of this building, why don't we take this a step further and look at the study to see if it really makes sense to spend that money without a plan in place. Interior conditions analysis followed.

We've identified that the mechanical, plumbing, and electrical systems need to be upgraded, if not removed completely and replaced. Interior finishes are good but they're outdated; as well as ADA accessibility, and really a lot of code issues within this building space itself. You've seen some pictures of the concrete floor settling and heaving. We also did an air quality study in the past 18 months. That air quality study came back with mold counts. The good news was that the counts were low enough and really equal to something you'd see outside, so it's safe conditions however; similar to the parapet wall, that's something that we'll have to revisit every year to make sure that count doesn't go up.

We also did a space needs analysis. The space needs analysis really is a study of the space that you currently own, the 30,500 square feet that we currently own, and the space that you should have in a modern facility. Our architects helped us with this and they say that for these functions, you should have "X" amount of square feet. It also considers future growth. So, the results of that space needs study is that our police department in

today's world, with today's requirements, should be about 40,000 square feet to operate efficiently and effectively. I will say that there is a little bit of room there for future growth, but that has been really minimized. We think that future growth is not something that's going to happen 25 to 30%; there's very little growth room in that number. We also know, from an apples to apples comparison, that we currently don't cover our police vehicles. They're not in a garage. Our recommendation is to do so. That would add an additional 10,500 square feet, so the total project would be 50,500 square feet, or roughly a 30% area increase.

Jim: I'm going to roll through the next two dozen slides. A lot of them are picture based. As we talk in moving forward about the site itself, we just want to familiarize the elected officials especially with how we refer to each of the particular buildings. So this parapet wall or structure that Pete was referring to, that's the 10 State building. There's actually a monument sign just adjacent to the door there. So when you hear 10 State, this is the older, turn of the century building that we acquired. The original police station we constructed with the green roof is 2 State. And then the entire campus or conglomeration is 211 N Riverside. There's also an address that Coleman Land used of 210 N Riverside, but we use 211 N Riverside from an inviting aspect of welcoming residents, especially folks that aren't familiar with St. Charles, especially with our festivals and whatnot, adjacent to Pottawatomie Park, we do get a lot of questions. One of the things I probably get asked daily as I walk to City Hall "where do I go in?" There's a front entrance at 2 State, there's one in the back that a lot of folks from the festivals try walking in – it's a glass door by our lunchroom. 10 State has an employee entrance for our weight room/wellness room; the command entrance is off the parking lot where the parapet wall is; Community Restitution is on the side; and there is our training room entrance. So, our entire building has six entrance points that are open to the public, or at least seen by the public. There's a few others that are in the back that are cornered off by the compound. It creates a lot of problems. Because we have so many buildings that are attached to one another, not only is the air flow and some of the things with environmental concerns of concern, but getting to staff and having staff work a little bit more jointly is sometimes is an issue as we're a little detached from one another, and it does make some of our functionality a little bit diminished.

The next number of slides are going to get into some pictures, but just to recap what Pete and I talked about. Some of the things we did with FGM is we went in depth with our existing conditions. Not only interior, but exterior. We looked at our space. What do we currently have, what do we currently need? Obviously, we talked about the site appraisal. We also had the site surveyed. We looked at the mechanicals. We really did our due diligence in bringing forward a really in-depth report that we're going to present today.

We did look at a couple of sites. One of which the city owns, is Rt. 31 and Red Gate, right across from North High School. We looked at a vacant property that's been vacant for a number of years, Valley Shopping Center on the near west side. We also took some key stakeholders to look at some FGM projects that are of similar size and scope to the

City of St. Charles. When we talk about not asking the city to build the Taj Mahal, we went and looked at three recent projects that FGM completed that we felt, as a staff, were comparable to the needs in what is addressing us in moving forward. That was the Bensenville Police Department, Franklin Park, and my old police department in Streamwood, which I was the assistant project manager on. We chose not to look at some recent projects like Aurora, Glenview, Highland Park, and so forth. We looked at our size, 40,000 square feet as far as what our architects told us we might need moving forward, and these are the three departments we went and toured. There are a few others that are pretty similar: Northlake, Glendale Heights, you'll see some pictures. The following pictures, rather than take the entire group of elected officials on the tours, and I'd be more than happy to do that if that's something you want to do moving forward; but the next 20 or so slides are some of the fixtures, the settings, the site plans, of some of those buildings. You'll see a nice, inviting, welcoming space that's clearly identifiable as a police facility. Precast concrete was used with some expansion joints with face brick at Franklin Park, which brought the total cost of the project down. Streamwood right next door in a vacant parking lot, built the station, and as soon as we moved in, we tore the other facility down, and that was a parking lot. Glendale Heights was a re-used and an expansion; and Northlake was a completely new facility – they did some cost saving measures as well. The training room/media room; I wanted to touch upon this. This is something I would advocate strongly for. You'll see in Franklin Park, this whole north wall of their current police facility is intended to be expanded to a city hall. For right now, you'll see a raised dais towards the very end of the training/meeting room. The Village of Franklin Park is using that as their Council Chambers. So it's a multi-use, and if they ever do build onto that north wall and make a combination police department/city hall, that's going to be a combined space. Some of the other buildings, what you see is they're adjacent to the lobby. They have their own self-contained entrance or bathroom area so they don't disturb the operations of the police department. I'll tell you from Streamwood, we made it a community building. HOA groups, not-for-profit groups, they were encouraged to come and use our space and it really forged those relationships that we were talking about earlier with CVB and some of our other downtown groups. You get them in your building and you're communicating with them on a daily basis, your relationships just take off. I would be advocating that.

Moving forward I think it's money well spent and the dividends on the investment are tenfold. In addition, if we have a mutual aid need, EMA, MAVIS, NIPIS, some of the different mutual responses, we try to tie that in not only to the front entrance, but also detectives and patrol so we can bring people in from other communities and help us without disturbing our day to day operations.

This is what you see when you walk in some of the ones we toured. It's secure, it's safe, it's inviting. This is just some records space pictures on the tour to kind of show you what some of those spaces look like. They're self-explanatory. Some of the things you're going to see, as we get farther along with the project, is not only ADA requirements and things that Rita and Joe can speak to, but a lot of the requirements that come with OSHA, blood borne pathogen, CALEA requirements, which is our accreditation process, and also the Illinois Department of Corrections, or IDOC. They have to come in and inspect our

lock-up facility on a yearly basis; a lot of the times, we're grandfathered in. And as I show you some pictures of the other facilities in a secure lock-up area, you're going to see bolted down furniture, stainless steel surfaces, and either painted concrete or some sort of non-porous material that's not going to hold in bacteria and things that are going to maybe, not only harm our staff, but also could be potentially dangerous to those we incarcerate. Obviously, in a softer interview room setting, there's going to be less of a stringent requirement on fixtures and things like that. You'll see in the bolted down area a microphone and they have hidden cameras as well; those are requirements of case law. Certain offenses have to be recorded from the time the person is brought in to the time they're released. This is evidence packaging. One of the things that I'm seeing, being relatively new to the city, is it's not a question of if we're going to be litigated; it's a question of when. Anytime you have evidence that you take in, whether its contamination or air quality, you don't want to give defense attorneys the ammunition to come after us with some sort of angle on the effectiveness of our investigation. You need to have a sterile environment. This is a pass-through evidence area at one of the police departments we visited. There are some refrigerated areas for blood kits for sexual kits that we take in. On the other side of this pass-through is the evidence vault. Right now, ours is currently in the lock-up. We have a lot of people pass through our lock-up each day; talk about contamination – you can't bring evidence into a lock-up, it's just not right, but we're grandfathered in. These are some of the areas of evidence processing from some of the departments that we went through.

Evidence storage, depending on what we do moving forward, this is the Village of Streamwood's evidence area. Didn't spend a lot of money on it, but we made it very large. 15,000 square feet in the basement; it's a 14-foot basement. We had the space to do it. This is Franklin Park, they didn't have the space, but there are some ventilation requirements because you're bringing contraband in. They did the roll storage, or the high density storage, this in the first floor area, not in the basement. They spent more money to condense that storage, but you can do things either way. The air quality and security are concerns. With technology that has improved, our evidence responsibilities, when I first started in police work 24 years ago, we were using Polaroid cameras and 35 mm cameras; everything now is digital. You'll see in your slides a system called FRED – Forensic Recovery Evidence Device. We pull data off of cell phones, I-pads, I-pods, you name it. A lot of our evidence that we use, in the Lt. Gileniewicz case in Fox Lake, that was pretty much the crux of the state's case with use of the digital evidence, it's a big part of what we do now.

We don't have this capability right now; we don't have the space for it. I'd be advocating for that. Here's an evidence garage with some good lighting for the evidence technicians and a wench to pull the car in on a crime scene so they can go through it. That's a fuming tank to pull out fingerprints on a pop can or maybe a smaller item. Here's where you have to dry evidence that's been stained or soiled. You have to air dry it properly so when you store it, you don't have mold or any kind of issues that are going to be brought up by a defense attorney with contamination.

The lock up has had a lot of things change in the last 10 years with the Illinois Department of Corrections standards and CALEA standards. I talked about porous materials, stainless steel doors. We still have bars in our cells – we’re grandfathered in, but those have been long past their shelf life. That’s a requirement now that any lock-up, moving forward, has doors and they also have an electronic back up that’s tied into a generator should you have a power outage. Clean, secure, that’s a cuff bench made of poured concrete. Right now, we have wood laminate in our lock-up. All of our tables, all of our general areas are laminate, they’re not stainless steel or concrete.

This is a bond out area that all of the FGM stations use. Currently, when someone makes bond on an arrest here in the City of St. Charles, we either traipse them through the entire police facility and they walk out where our guests are coming to see us in the front or we discharge them, quite frankly, where our police officers park or in the alley way by the well. It’s very disjointed. We have to go out sometime to take bond from an angry loved one or friend of someone who is incarcerated and then people who are coming to see us for maybe a nondescript station report or maybe just to help with something is hearing some of that dialogue and if we were to go to a new facility or a new design, we would advocate for a separate entrance and exit for those that are bonding out. In addition, that’s called the sally port where you bring prisoners in. We would like the security to be big enough to (a) drive through so you eliminate the possibility of accidents and such, but also to fit a diesel, big-box ambulance in because a lot of the men and women that we incarcerate get what we call “incarceration-itis” and they want to go to the hospital overnight. So, often times, the ambulance comes to our lock-up – pretty frequently.

Work spaces – just some things that you see in public works. The architects do a lot of thinking moving forward to sustain a project or the upkeep and maintenance of the building. So, if there’s a stain or a worn pattern, you don’t tear out all the carpeting – you’re replacing the squares. They look at things to save money at the front end and also for long-term sustainability. Those are some of the things we saw coming through the different stations. Monitors that were installed to view prisoners in real time, 24-7. Right now, with the Illinois Department of Corrections, they require us to visually check a minor, under the age of 18 every 15 minutes; and an adult every 30 minutes. Sometimes that’s tough. Often times we have someone sitting in the lock-up with them. Many times on overtime, because we don’t have the facilities right now to manage the review of prisoners appropriately.

Report writing – just some of the things you think about. We retained the services of a police architect. FGM has probably done 100 plus public buildings in Illinois – police, fire, schools, libraries, and such. They think of everything from stainless steel capped corridors to the gun belts that could chew up doors if the officer working the midnight shift walks into a wall; or if they come down to write a report, they’re going to have chairs without armrests. They build things in such a fashion for sustainability.

Lockers – for the moms and dads in the room that have had football players or athletes, wearing body armor is almost like wearing shoulder pads. Right now we have metal

lockers that are more industrial in nature and are not vented. There's no air flow. Often times the vests stink pretty bad. One of the things that, with public safety, these are actually specifically designed for law enforcement – from the ventilation system and the air flow coming through the locker rooms, to the vents in both top and bottom, to boot storage. There's even electrical outlets in each locker for the officers to charge their flashlights and all the different equipment they take out with them each day.

Defensive tactics and wellness training. We try to keep injuries down to a minimum, and as Denice knows in HR, often times the officers are exposed to injuries sometimes in training. FGM and their experience in police work – these are some multi-purpose rooms we saw at some different departments. This is a rail system you can do some different training games – such as corridor or building search work. You're using maybe Redman or soft weapons – other words, they're not live. You're just training your officers to go through a corridor – whether it's dummy training or there are pads on the floor – they really try to make your training space safe and secure. Right now we don't have those capabilities. When we train, there's maintenance required on our weapons and some of the different equipment we use. These are just some spaces in some of the respective departments we toured. Here's what an armorer station would like – that's really a station to clean your weapon.

Support areas. Oftentimes if there's the discussion about possibly going to a different site, we don't respond from the police station. The firemen do. We respond from our beats and our zones that we're assigned to. There's a lot of equipment that the officers carry. One of the things that all the modern stations have is there's locker room facilities for the officers that are usually on second floors – if you build a two-story building. That's where they're going to change, shower, whatnot. But when they come down to their office, which is really their police cruiser, they have what we call a “go bag.” This is adjacent to a garage – every FGM building has a “go bag” locker adjacent to where the squads are kept. The officer would come out of roll call, be fully dressed and ready to hit the street, he/she would walk down through the corridor/garage, and all their equipment that they're going to take out in their “office”, which is their squad car, is going to be in that “go locker/bag.” It saves on lugging and tugging up and down stairs and back and all kinds of things. These are just some meeting rooms and lunchrooms to give you an idea of what some of the areas look like that we toured. Once again, some professional space – from roll call rooms, to staff meeting areas or conference rooms. They look at finishes; we'd work on this with Pete and his team – floor coverings, wall coverings, things that are going to get us a long term shelf life, but also look at the bottom line.

Last slide before I turn it over to Pete, indoor parking. Often times what we have inside the squad cars is probably in higher value than what the squad car costs us initially. Between our computer systems and our lighting, some of the state mandates we have with recording devices and things, it's not uncommon to have \$20K to \$30K in the squad cars. I would advocate for indoor parking for a few reasons. We need to have a safe and secure environment for that equipment. I think if you keep it out of the elements, it's going to have a longer shelf life. And I think that also dove tails into the life of the

vehicle, as well. We've seen this in each and every building we've looked at, from the smallest scale to the largest, it's something we currently don't have. I would be an advocate in doing this moving forward. I wanted to show you what some of those spaces look like. With that, I'll turn it back over to Pete.

Ald. Bancroft: How many people get processed through the facility?

Jim: I'll say anywhere from 1,500 to 2,500 per year depending on activity levels. As far as incarcerated overnight, we are required to keep prisoners overnight if it's a felony arrest, but St. Charles has a good relationship with Kane county so we are able to have any overnight prisoners housed there. If it's a domestic violence issue/domestic battery/order of protection, or if they can't post bond on a warrant; in those scenarios, the prisoner will be transferred to the Kane County jail as well. All the other type of offenses, misdemeanors and such, there's a bond that's statutorily required, and most people can make that, and if they can't, we have the availability to give them the signature bond. So, we don't keep the prisoners overnight all the frequently here.

Peter: We mentioned that we hired Coleman Land Company to do an appraisal of the property. Before we get right into the guts of that appraisal, I want to give you a little bit of background as to what the information was that we gave them to utilize for the appraisal. 210 N Riverside Avenue is the address they utilized.

First off, we had to identify the site and this site is kind of unique. It sits within a complex, a downtown complex. So city staff worked together to create this red line that really wraps around the police facility trying to identify what really belongs to the police and maybe on the other side of the line what belongs to the community park, so to speak. That was a little bit subjective, but at least it got us going in the right direction. It is 2.13 acres. It's zoned in the central business district. It's outside of the downtown overlay zone. There's actually seven assessor parcels within that red space there. There are 83 parking spaces, and again, I'll mention the existing water well, as well as all the utilities. Getting right to the point, we have a draft report from them of July 14, 2015 and they say the market value is \$2.35M. This, however, assumes, that the site would not be constrained by underground utilities or a water well, both of which we know we have. So, there's definitely ways to look at that, you can perhaps say that's just going to be the developer's reality on a project like this or you can try to backfill this cost of the \$2.35M evaluation. It also does not include the demolition of the building, which is valued at about \$250K – which recognizes to me that the value is really all about the property – it's not necessarily the building here. The appraisal says demo the building, I'm sure there's adaptive, re-use opportunities for that building, but the appraisal is suggesting that the value of the property is much more valuable than the building itself. Potential uses that were identified in the report which is very thick, anybody who'd like a copy of it, you could flip through all the details, but restaurants, hotel, commercial, mixed-use, apartments, residential condominiums, office and retail are all possible and viable suggestions and potential uses for the site. They also state that a probable sale would be

within two years in today's market. So, we've considered several options that we're going to take you through now.

Option 1 is do nothing. I'll just say right now that's really not a feasible option. I think the staff has come to that conclusion and I hope you come to that conclusion pretty quickly. And the reason I say that is we've got existing reports out there now dating back to 2013 that say that our building is in need of repair. Not only from the exterior position, but from the interior position. We know from a space needs perspective that the building is undersized and we know from a functionality standpoint that it's not as functional as it can be. So to doing nothing, in our opinion, is not feasible and certainly not going to be discussed after this slide. However, can we remodel the existing facility? We certainly can. Can we demolish a part of the existing facility and construct a new addition on the existing site? We can certainly do that and we'll show you how we can do that. Can we demolish the entire facility – the existing facility – and build a brand new police facility on the existing site? We can do that and as Chief mentioned, we can construct a new facility on an alternate site and, as an apples to apples comparison to the other proposals, we've looked at two sites. Red Gate Rd & Rt 31 and Valley Shopping Center, as options available today.

Option 2 is to remodel the existing facility. I don't have a graphic to show you in regard to this, but we've divided these things up into kind of pros and cons and we'll take you through a series of slides that represent pros and cons for each option. I don't have a graphic to represent here, because the graphic is exactly what the building looks like today. In this particular option we will remodel and replace the roof; we will replace windows, we will do some interior renovations, but at the end of the day (very similar to the project we did on the municipal building) after construction is complete on this option, it's going to look and feel exactly like it does today. This does not suggest that we're going to demo interior walls and redo the spaces within the inside of the building – so the functionality is going to be exactly the same as it is today. It's really addressing some of the properties of the building mainly in the particular option.

So some of the pros are it's going to be the lowest cost solution. The location is familiar, it's the downtown city campus location and the building is going to look exactly as it does today after the end of the completion of the construction. From a historic perspective, it's not changing so that historic nature is going to remain. Some of the cons in short term solution is a 15-year solution and you might say that's not a short term solution, however, if we look back at some of the major reconstruction projects on the existing facilities, there are some major reconstructions done 10 to 15 years ago. And here we are today, representing that we need more remodeling and conditions after that was done 10 to 15 years ago. With a new solution building, we're looking at a building that can be sustainable for 50 years. So, maybe it's not a short term solution, but it's the shortest term solution that we're going to show you today. As I said, it really has no operational improvements. We're not gutting the inside of the building. So the Chief is still going to need to go down two flights of stairs and around all sorts of corridors to get to the front door to his facility after this project is complete. It maintains the existing

public image, Chief talked to you about that. It's in a congested downtown location with parking and I also want to mention it's a dead-end corridor, which is a concern as well. So to get to this facility you really have to go down that dead-end corridor and around the circle drive there. And that obviously won't change in any of the conditions in regards to keeping the facility where it's currently located.

High life cycle/maintenance costs – maintenance costs are going to continue to be problematic down the line. Future expansion concerns with this option – really don't have anywhere to expand in the future. Still have our water well, our underground utilities. We haven't dealt with, but will have to deal with some of the CALEA and IDOC standards and ADA standards – but not all of them; we still obviously have the continued flood plain issues that we've talked about.

So moving to Option 3, if you recall, is a remodel and an addition. So what I wanted to explain to you is that on each one of these slides, I'll show you a graphic of the site and the green spaces here represent a portion of the existing building that is to remain. So, this is the 10 State building, the turn of the century, brick building that currently exists. And this is the 1980's contemporary design along the Fox River. In this particular option, we're suggesting these two spaces remain, including the water well, it's not going to go anywhere, and the blue spaces represent new construction. So everything beyond these two spaces and the water well will be demolished and we will create new building components behind that space so that you have kind of a mix and match – some old, some new. Some of the pros are the location is familiar to the centralized campus, historic to some perspective, you're holding perhaps the most significant historical features of the building in this particular option; however, with the new elements it modifies the building identity – that can be kind of a neat play architecturally, with new up against old. Cons are cost, and the reason that that's a con is that later on, you will see that the cost of doing something like this is really pretty close to a new facility on this site, too. Yes, it's a little bit less, but in significance, it's not that much different. We do obviously end up with some operational improvements. I will go through some of the things that were already mentioned in regards to the cons in regards to the site that are the same as option number two. However, we do probably end up with a mixed building and mechanical systems with old versus new and where do you draw the line and how do those systems coordinate with each other.

In Option 3 these are floor plans that our architects have provided for us. These are really representations of how the spaces can work together. It's really a function of taking the space needs program, the 40,000 square feet needed for this new facility, and identifying that the spaces work together. So we're not going to spend a lot of time right now, certainly after the presentation we can go through this in more detail, but it shows that the footprint, the spaces function much better than they do in the current design and it fits within the square footage of the building proposed. One thing that I will mention is that you can see this particular design – the space, the green roof building, the contemporary building that's closest to the river here, has been converted to a community training space. So, that would still be within the flood plain and still within that 50-foot buffer,

but we changed the use so that the use of that space is not critical to the function of the police facility. The police facility primary functions would be elevated to the right flood plain elevation in the new components of the building.

Option 4 is a new facility on the current site. So you can see now that all the buildings have changed to blue color, that means that they're brand new, except for the water well, that's going to remain green. So what are some of the pros to this? Again, location familiarity, it's in the city campus/centralized, it has a new building identity – this is a brand new building. It certainly has improved operations, it's more of a permanent solution – this is a 50-year solution right here. It eliminates the flood plain issues because this building will be raised to that three foot level it needs to be and it's also pushed back away from the river so we can provide that 50-foot buffer. You can see the red line there represents that 50-foot buffer. Also there is some green space between the building and the river, as well, I think is a pro for this particular option. Certainly improves standards and the span of green space. Some of the cons again, we talked through most of those already, so I won't review any of them except for one; the temporary moving costs. Temporary moving costs suggests that with a solution like that, obviously during construction of a project like this, the police department is going to have to find a new home for 18 months to 2 years while they build this thing. Their existing facility is going to be demoed and there is a cost associated with having to move out and back in within two years. So I do want to identify that as a con. Here again is the floor plan that represents how the space works.

Let's look at option 5A which is a new facility at Rt. 31 and Red Gate Road. You take this path it goes across the Red Gate Bridge. North High School is here and the existing homes in River's Edge are right here. So, the red line represents the area of property that the city actually owns right now. Let's go to a slide that zooms you up a little closer so you can see. But, as you can see the buildings are blue, this is all new construction on a site that's vacant right now. It identifies access points off of IL Rt. 31 and also access points of off Red Gate Rd. You can see that the property fits within the site. It's a two-story solution with a covered garage back here, visitor parking, and staff parking back here. So this is as far as we went with this concept, but we wanted our architects to see if this site would even work for a police facility like that and the answer is yes.

So some of the pros in regards to this site is it's a new and improved location and a new image for the police facility. But I also want to say that with the off-site options, it's a new start and a new image for the current, existing site, as well. The police facility's not going to be there – there's opportunities on that site. Optimum functionality and operations – this is a brand new building on a clean site. Permanent solution – it's a 50-year solution. No land costs – we've talked about that, the city owns this property. I also want to identify that it is an expandable option for future fire expansion. If anybody knows any history about this site, it was originally identified as a site to create a fire substation and Chief, do you want to say anything else about that at this time?

Joe: Basically, what happened, this wasn't the first location. The location that was first identified as part of the Red Gate Subdivision was where the football field is right now. The school district starting grading the property without knowing that they didn't own it. We did a land swap, that's how we got this. Indeed it was designed for a fire station back when we had the fire district. Obviously you have identifiable north south and east and west with the construction of the Red Gate Bridge. If you recall going through the Red Gate Bridge program, it was stated that this option existed to build a fire station there. The first plan was actually proposed in 1990. Station 2 was built in 1986, Station 3 in 1989 and this one was 1990. It stalled out because of funding and then with the fire district going away. There are some things going on now with the fire district that I don't want to interrupt Peter about, but that is a possibility for some discussions. If you recall when Fire Station 1 was constructed it was originally intended to be a four bay facility. One of those bays was cut off. That has left us with a problem with where we're putting all of our vehicles. Similar to the police department, we have vehicles sitting outside. We have a lot of very expensive equipment that we have to impose upon the Public Works Department, especially in the winter time. We are utilizing the South Avenue garage facility, the old State garage, and in the winter time we move a lot of our stuff inside. That means Public Works has got to move some of their stuff outside. It's not very conducive to emergency response, meaning I've got to get people in a truck, drive to the State garage, get through the locked gates, so on and so forth, hook up the equipment, and then bring it to wherever it needs to go. So as far as emergency response goes, it's not very optimum. If we do have a Fire Station 4, not only can we realize the expanded response, because if you look at a map of the city, it's a triangle or cone-shaped, getting more narrow as you go to the north, so it would resolve a number of issues for us.

Peter: This is a 3.17 acre site.

Ald. Turner: Could you put the police station and the fire station on this site or not?

Peter: Yes we could.

Mark: As a substation, right Joe?

Joe: Correct. What we would be looking at, one of the most interesting things about this project, let's call it a public safety building, instead of two separate facilities. If you look for the economics there – a shared training facility, a shared locker room, a shared kitchen, there are all sorts of things where we could take these two buildings and continue to squish them down so the true size would actually take in the garage, which you know Jim has already indicated the police department needs, as well. And then a bunk room, which could also be shared. So we've got some real interesting opportunities to squish things into a more narrow box.

Peter: So I do want to mention a couple of the cons that we've identified to this and really any of the off-site systems. It's a non-familiar location. The community is going to have to get used to something like this.

Ald. Bancroft: What's the thought of it being so close to the high school? Good, bad, completely indifferent?

Jim: You know, what's nice about this site is the accessibility, like Joe said – north, south, east and west. It would stand out in the community being at an intersection – especially at a traffic controlled intersection. As far as being near a high school, I wouldn't see that as a negative. It would have ingress and egress on both Red Gate and Rt. 31 for response, it's close to both schools with the bridge and then Country Club Rd and Rt 25, I mean I wouldn't view it as a negative.

Ald. Bancroft: I was thinking of it the other way. I was thinking that it's actually a positive.

Jim: Well, it would be, of course, for North, but I don't want to slight East. When you give us accessibility to both schools, obviously North would go quicker, but we don't respond from the station typically. It wouldn't create any problems for us.

Ald. Bancroft: Both high schools with the Red Gate Bridge now, you can get there a lot faster that way than you can going through town.

Peter: The one obstacle is certainly going to be the “NIMBYs” – “not in my backyard” – because it butts right up to the River's Edge subdivision. And I think that you know there are certainly homes that will be impacted by the development like this –or a development of anything – so that's something to keep in mind at that site.

Option 5B is a new facility at the Valley Shopping Center. This is on Main Street located between 17th Street and 14th Street; and 15th Street is the stoplight that goes into the site. The red line identifies the property that is available currently. I think it's 10.3 acres. So, looking a little closer on the building. Now this is interesting because of the area that we have in this particular site. The proposed solution here is a one-story solution, which actually reduces cost because you don't have things like elevators and stairs and all the circulation needed for a two-story space. So, that's kind of intriguing for a site like this. You can see that we don't need the whole 10.3 acres for this site so maybe that develops some other options in regard to perhaps creating outlots and developing property around the police facility. One concept that we talked about with our architects is developing maybe a playground or a community space adjacent to a police facility that might help local neighborhoods feel in a safe zone that families and kids can enjoy. There are some interesting thoughts on a site like this. The pros are pretty much the same as the pros on 5A – we'll identify a couple of things. The adjacency to Main St. is certainly a pro on this one. It's still in a downtown location and has that centralized location. The cons are we don't own that land, and so high land costs would certainly be something to consider for this, and again a non-familiar location – I think we'd get use to this location pretty quickly.

So, let's get to dollars and cents. I'll explain what this means and then I'll kind of flip through the rest of the slides pretty quickly. I've highlighted in red here the total construction costs. I want to identify that construction costs are different than total project costs. I think that if you ask Geneva or Batavia or any other community what their police facility costs, most likely you're going to get the construction costs for their facility. What we wanted to do, and what our architects believe, is identifying the total project costs. Construction costs are a total of exterior repairs, interior repairs for new building products. Usually you have a 10% construction contingency, and you end up with a result. We want to identify that there's additional costs associated with projects like this. FFE is furniture, fixture and equipment – that's the table and chairs that we sit on, it's the equipment that you use to operate the facility. Soft costs are all of those fees like architectural fees, and engineering fees, and soil borings and testing. They're real numbers, as you can see, so we wanted to identify both of those numbers and provide you with a total budget cost at the end. So, again, in comparison to other communities, we might be looking at this number, but we wanted to be up front with total project costs.

Total project costs for option two. This is the remodel and repair of the existing site. It's somewhere between \$5.1M and \$5.7M. We have a potential addition of temporary facility budget of \$800K – suggesting that a portion of the facility would probably have to be vacated and stored someplace else while they do some construction.

Option 3 is the remodel of and addition option. Total costs for this is \$18.3M to \$19.3M. This would also require a temporary facility budget, perhaps up to \$1.5 million.

A new facility on an existing site would be \$19.8M to \$20M. Temporary facility budget would also be included in this.

The new facility at Rt. 31 and Red Gate is \$18.15M to \$18.99M. Positives are the city owns this property and there's no temporary facility costs needed – obviously they could build a building on that site while the police station stays open. And when the building is ready to move in, they move in over the weekend.

Option 5B is a new facility at the Valley Shopping Center. We're looking at \$18.1M to \$19M. However, we've identified that the 2014 tax assessor value for that property was \$5.1M and the last transaction that we saw, that went to NBT Bank in Sycamore and was for \$3.5M for the property. Obviously no temporary relocation costs would be needed for this option.

Chris: Based on the cost estimates that Peter and their team put together, I went back to our bond consultants and had them put together kind of the book ends of the cost being \$6.5M and roughly \$23.5M. Then I also picked something in the middle at about \$15M. Taking a look at 20-year tax exempt general obligation bonds, and the \$15M was not necessarily based on any of the options or cost estimates, but maybe assuming that we would do some value engineering, perhaps widdling those costs down in some way and giving some kind of a sensitivity analysis. I also had bond consultants go through and put

together what they think our annual debt service cost would be based on our current city bond rating and interest rates are half a percent higher than today's market. If you've been following the economy at all with what is going on with the Feds, you'll know there's a lot of talk right now about raising the interest rates and that would obviously have a bit of an impact to our borrowing costs. Prevailing wisdom up until this week was that this wasn't going to happen in 2015; however, a very capable jobs report came out this particular week that makes a lot of economists think that the first move of a quarter of a percent might be as early as the December meeting of the Feds. At \$6.5M over 20 years, we'd be looking and roughly at \$460K debt service payment. If we were to use that \$15M option we'd be roughly \$1M a year; and then again, the \$23.5M which is kind of toward the higher end of the bookend would be about \$1.65M on an annual basis for 20 years. As we go through and refine what the costs and what the building are going to look like, we will come forward with a more detailed financing plan. We may have some options to do some down payment by maybe taking a little bit from our General Fund reserves or maybe looking at some other things. We've also got some bonds that will be maturing over the next few years; however, for about the first five years of this project's life, it's mostly TIF bonds. We would subsidize the TIF bonds out of the General Fund so there will be a little bit of that money that would be available for debt service, but if you think about the TIF bonds, it's also financed by the incremental revenues – the funding source is also going to go away. So, we're not getting a 100% bang for the buck in terms of the bonds that are maturing over the next couple of years in being able to then roll into into something else.

Peter: Going back to the goals matrix to wrap this up. This is a subjective process and we recognize that, but what we've done is our staff, Jim and I mainly with our project team, have identified a specific goal based on those overarching goals that we discovered, that we described at the beginning of the project. We've ranked those from 1 to 10 and then we provided a weighing factor for each one of those goals. So, this is just a simple chart, matrix is what we call it, to do a study. We've thrown out option two, three, four, 5A, and 5B across the top, and then we systematically went through and discussed and provided a value to see if those goals were met for those particular options. At the end of the day, you end up with a total here which really doesn't mean anything in regards to the number, however, it does start to suggest that some options float to the top more than others, based on the set of criteria. So, you can see that our options 4, 5A, and 5B, I think really represent what has floated to the top in our mind, in regards to this project. Options 2 and 3, not so much. So, this is something fun that you can do at home. Come up with your own goals and categorize them any way you want, weigh them any way you want, and give us that feedback. Again, this is subjective, but I think this is what our project team came up with.

So what's next? We are looking for your feedback, that's really where we're at right now. That's going to really guide us to the next steps. Remember that the existing facility continues to age. We had a study done in 2013, and 2016 is really close. We had a five-year plan at that time to do some major renovations, and we're bumping up against that. 15/16 – 16/17 budget considerations; we're right on the heels of the budget discussion.

We've got this thing called the Active River Project that's floating out there, and that represents and has been identified that the existing police site is certainly of value to that project, so we need to consider that. And then also think about project phasing. The numbers that you see in front of you today are all based on 2017 construction numbers, so we have inflated the numbers slightly, recognizing that if we were to go today, that would be the quickest time we could get to construction. But any year that goes beyond that, add another three percent, and another five percent – our architects are saying five percent at this point in time. Just as a reference, we recognize that the numbers are big, they're large and hard to digest. But we wanted to give you some context. The Public Works building in 2001 was \$15M. If you inflate that to 2016, it's a \$23.3M project – the building we're in today. Fire Station 1 in 2009 – in today's dollars would be about \$10M. Radium Removal facility in 2010; in today's dollars about \$6.6M; and the Wastewater Treatment *Plant* in 2013, today would be about \$10M. So just some things to consider.

Mark: Let's take some questions.

Ald. Gaugel: To be completely honest, what's your choice? What's your pick? What do you want to see happen?

Jim: There are the different scenarios. Valley Shopping Center, for instance, I'll call it a higher call volume area, but I realize given the economy and what's going on with the old mall site, the new mall site, 1st Street and things, there are some development opportunities there and we wouldn't need the entire site. That's the site I like because of the demographics. But my recommendation would be Rt 31 and Red Gate for a few reasons. I think it's not only dollars and cents that make sense, but from an ingress and egress perspective and having that clearly identifiable police facility – I don't think you can get much better than a red light at a traffic controlled intersection, adjacent to a state Rt. and the new bridge. We don't have a large presence north of Main St. in St. Charles with government buildings, and although it's at the northern piece of our community, I think that you get that clean slate; it's shovel ready; it's got the utilities; it's graded; it's accessible; it's going to be identifiable – that would be my recommendation now, by going through nine months of work with the architects. I appreciate you asking me that question.

Ald. Silkaitis: Just a couple of comments. For options 2 and 3, I have no use for those whatsoever. It's a mess down there, I agree with you completely. It's been a mess for many, many years. But, I guess the question is, do we want to remove that from the downtown campus? Do we want to do that? Do we want to move so far north that it's kind of way out, almost at our boundary? Valley Shopping Center, I believe that's in foreclosure, or the bank owns it?

Rita Tungare: Yes, that is correct.

Ald. Silkaitis: I don't know what deal we can get on it, but do we want to buy that big parcel and be in the business of trying to sell parcels? We tried that with George's, and

we're struggling there; so my first preference would be to rebuild on the site because I know that from being here 59 years – that's where the police station has always been. So I may need to think outside the box. But let's say we do move it to another place. We still have a well down there, we still have all the utilities down there. If we sell the property to a developer to develop a hotel, they're not going to want the well there. Are those costs included in that – to relocate the well?

Peter: No. We did look into that and the costs were so outrageous that we didn't even really consider that an option. So any part, most likely any part of a property sale down there to a developer would have an easement to access that well. They'd have to work around it.

Ald. Silkaitis: And then, if they want to put in a basement, could they, because of the flood plain?

Rita Tungare: Yes, like 1st St.

Mark: Like 1st St – good example Rita.

Ald. Silkaitis: Now if we went with options 5A or 5B, is that assuming that we are going to sell that parcel? Is that included in the price?

Peter: That is not included in the price. We might realize the value as a refund, so to speak, on that bottom line.

Ald. Silkaitis: If we do move it to the other two locations, I'd rather keep it as open space going by the Active River Project, we don't have a lot of open space by the river that's actually usable. I'd rather, if we're going to move it, that's fine, but I want to keep that space as green space, or something that would be used with the Active River Project. I don't want anything developed there, personally. We're going to have five-story buildings already on 1st Street, I don't want to have that kiddie-corner to that on that side.

Mayor Rogina: But Ron just a quick point. On that Hitchcock presentation, I think that the Active River Project assumes some development of that spot – not open space.

Ald. Silkaitis: I don't know, these are just my opinions. I still would rather keep the fire and police stations there; but I'm open to moving it too. And if we do move it to Rt. 31, can we design the building, in case the fire department was added? Then we could just have everything there to do it.

Jim: I've talked to the architects about that. There are a few communities that have done something similar. Village of Barrington, Mt. Prospect, Rosemont, Glencoe, public safety facilities. Mt. Prospect is a community even bigger than St. Charles, so, it can be done. Obviously the architect will design anything he gets.

Ald. Silkaitis: Right. But when we build the station, if we build it there, we could easily tie into the police department without doing anything major for the utilities, etc. Everything would be laid out, we'd just have to add to it. And to Joe, do you anticipate putting a fire station there or not? What's your opinion?

Joe: Right now I can tell you our worst response times are right where we're talking about; and that's just because of the way the community is designed and how the fire stations are all laid out. They're all laid out very close to Main Street and the reason for that is because it's the only road we have in town that bisects the entire community. It was pointed out earlier that we've got a target hazard. North High School sits just about as far as you can get north as possible. With the fire district doing what the fire district is doing...

Ald. Silkaitis: But do you think we're going to need it?

Joe: Right now, so everyone knows, let me give you just two minutes of brief history. The state fire marshal has asked the local fire chiefs for a short term plan. I have hosted meetings with the area fire chiefs, the state fire marshal was here, and a plan does exist – a map exists – of what we would be prepared to do, upon Council approval. Let's say if that referendum fails, and immediate action is necessary; it's something that I was going to bring to you in the future, but this is as good a time as any. That plan has us protecting in the short term, a pretty good chunk of property – about 10 square miles. In the long term, it's going to depend on a number of issues. If you remember, we were receiving about \$2M from the fire district, annually when they left. Now, because of the extreme debt loan, the district has, what is going to be left of their EAP and tax rate, what's going to be left to pay us? Now, would we want to take on additional property, additional service area without being compensated properly? That's going to be a policy decision for you all coming up. An opportunity exists, or could exist depending on how that referendum goes, for us to take that additional revenue. It could exist based on what you think. If we do take on that additional property, yes, I would be looking for a fire house.

Ald. Silkaitis: I'm sorry one more quick question about bonding – is this going to sharpen up our numbers on how much money we have out there - that we borrow?

Chirs: \$20M, yes it would increase.

Ald. Silkaitis: To what – do we know?

Chris: In terms of GO debt, that's probably in the realm of \$80M, so you'd be talking about a 20 to 25% increase.

Ald. Silkaitis: Is that still within acceptable or are we in the high end now? Are we pushing our luck?

Chris: We're on the high end.

Ald. Silkaitis: See, that's the other thing we need to consider. Is how far do we go? Plus, don't forget the 7th Avenue Creek and the Arcada. These are things that we're going to have to do so we've got to be careful now. We're doing all these big projects, which sound great, but I don't want to push our bonding limit. I'd prefer not to do that.

Ald. Lewis: You talked about out by the St. Charles North High School. Is that a smaller piece of property than downtown – your current location?

Peter: 3.1 acres versus 3.17 – its pretty equal.

Ald. Lewis: You talked that out by Rt. 31, you could mesh these two facilities, have you considered meshing your facilities right downtown? Sharing training space? Somehow connecting the current building and building new with what you want there? Tearing down and building new but sharing space with what's there already in the Fire building?

Peter: We haven't considered that yet. But that's something we could certainly check into doing.

Ald. Lewis: Is that training room used all the time? I go up to the IT floor and it's kind of spacious up there. It seems like there's room in that facility there. Maybe if you could mesh them in one place, maybe you could look to mesh them in another place and it could save you money in your downtown location. I also prefer the downtown location. I think everyone realizes that. But, I think it needs to be rebuilt. My second choice would be the Valley Shopping Center. I just feel that that location is so far north and pretty inconvenient for the rest of the residents in the community to get to the police station.

Ald. Turner: I agree with you Maureen that it's pretty far north. I realize the residents consider the area around the Valley Shopping Center the St. Charles ghetto. Supposedly, you put a police station there it's going to bring that whole area up. There's another way to clean that up and that's through redevelopment of that area. You know, some decent housing or something in there – that usually chases the landlords out. We haven't discussed it, Todd might know more than I do, but I think that building is heavily environmentally hazardous, but I don't know if we're going to have to pay for that or what. I think that's all going to have be considered.

Ald. Krieger: It's bank owned now, and just by word of mouth in talking to people who actually had it under contract a few years ago there was a very aggressive money firm that was going to buy it and redevelop it, and they got scared with the environmental conditions.

Ald. Turner: If we would then sell the downtown area, the old police station site, maybe TIF that area, get it cleaned up and put something on top of it. That would open up the downtown campus for whatever you want to put there – green space or not – but I think also decent development out there on the Valley Shopping Center is going to drive some

of the lower elements out. That's just my opinion. If something goes in there good then usually the bad find someplace else to go. Or the landlords fix up those crazy places.

Ald. Kreiger: I have a question for Joe Schelstreet, when is that election on the fire protection?

Joe: This spring.

Ald. Stellato: If I'm not mistaken, Rt. 31 is \$5M cheaper than Valley Community Shopping Center. Again as I mentioned earlier in the day, saving \$5M, taking a piece of property that's not on the tax roles now, which is the Rt. 31 site and keeping it off the tax roles, but protecting Valley from future development and protecting the downtown campus from future development; I think when you get done adding that up, that's also going to be another pro for using the Rt. 31 site. I'm okay with that if you're looking for feedback right now – based on the numbers.

Ald. Lemke: Well the reason why I thought we originally had wanted this site on Red Gate Rd was with the possibility, and yes it may develop, it may not – but we were having very bad response times when it was in the what they now call the countryside district. That provides service up there, you needed that. That's one thing to do that, to have that for faster response time if this should come about, but when I looked at the drawing, I saw it pretty well occupied. But on the other hand, fast response time for a police station doesn't fit the rest of the area. Certainly I'd be concerned if your high call volume is in the area of the Valley Shopping Center, other than being on Main Street where it's accessible by the citizens, not far from downtown. It's more desirable than moving it beyond hamburger row or out on Randall Road. If my wife were here she'd say, also consider alternative sites, maybe even get a chunk of area over by Rt. 38. It's similarly situated with the high call volume.

Mark: Let us consider your comments. I think this is going to take some more conversation. If everyone would digest it, we'd appreciate it. And make continuous comments coming back and in the meantime would be helpful, but we need to follow up.

Ald. Lewis: I guess I would say one more thing. If we're looking for something that's going to be 50 years, I think cost is certainly something to think about, but \$1M, \$2M is a lot of money, but something that's going to last the 50 years, in vision, is this really where we want it to be. I think that's kind of important.

Compensation for Elected Officials

Denice: (Slide #'s 2-5 pp. 2-5,) We went through this exercise and did this for every non-union position, every job, ever comparable community. We evaluated them our positions and made sure that we were looking at the jobs where some changes occurred as far as which positions fell into which grades. We did a very thorough study just this

year for our non-union positions. Applying the same philosophy to the compensation for the elected officials is what I've done.

Ald. Lewis: How do you narrow down the 8 communities you choose?

Denise: It was based on the job descriptions. Reviewing the job descriptions and selecting the ones that matched our criteria as far as knowledge, skills, ability, education requirements, and the scope of responsibilities for each individual position.

Ald. Lewis: HR does this.

Denise: Yes. What we do is send the job descriptions to the individual supervisors and department directors and they give us their feedback on which ones they feel are comparable and then HR does a review at the end to make sure there wasn't something being questioned. The supervisors and directors do an initial review then they come to HR for a follow-up review. (Slide # 6 p. 6, Mayor - 75th Percentile) Looking at the 75th percentile for the Mayor position, you have the exhibit that shows all the data and information for the communities, of the comparable communities 21 of them had positions that we felt were comparable to the responsibilities of our Mayor. The only one that fell out in this particular case was Romeoville because it's a full-time position. If you look at the spreadsheet, the yellow highlighted areas are the two positions that were used to calculate that 75th percentile. Based on the calculations and city code it should be at \$20,000 to meet the 75th percentile.

(Slide # 7 p. 7, Alderperson - 75th Percentile) This is probably the position with the most variance. The other three positions are somewhat consistent. Some communities pay a salary, some per meeting, some stated that they had a lot of meetings, some just a few. We calculated a monthly average based on what the base salary and per meeting stipend that they are earning. Based on that information it showed that all 22 communities have elected part-time aldermen positions. Based on the monthly average the 75th percentile shows that the 16.5 community, which is basically the difference between Streamwood and Elk Grove would be about \$479.17 monthly salary. If we figure out what our current information we come to about 379.00 per month, based on an average of 26 meetings per year. It shows we would have a bit of an increase on a monthly basis based on the data.

Ald. Turner: That's based on because we go to City Council meetings. We're really not paid for committee meetings.

Denise: Correct.

Ald. Turner: We're supposedly \$100 underpaid if you look at that percentile. One way to change the compensation is to say a committee meeting is worth \$50.

Denise: That's what some of the other communities do if you look at the data on the spreadsheet. Some of them have a base salary and a meeting stipend. If you look at

Addison they say they have 96 meetings per year. That's including council, committee, and all the meetings. They get \$25 per meeting. We tried to figure out the monthly average to normalize that a bit.

Ald. Payleitner: Our compensation is based on City Council meeting attendance, period.

Denice: Correct.

Ald. Payleitner: It doesn't matter comparing what our constituency numbers are or what other commissions we sit on, it doesn't matter. We all know Batavia, they have less citizens per aldermen than we do, but they are still one of our comparables. This is strictly based on

Denice: It's based on it being a part-time elected position.

Ald. Payleitner: That is based on meeting attendance only. City Council meeting attendance only.

Denice: The data shows that some of the communities that we consider comparable have a base salary, plus they pay for meetings on top of that, some just pay that monthly value. Each of them pay a little differently.

Ald. Payleitner: It's still all based on meetings though.

Denice: In some fashion, yes.

Ald. Lemke: We say on this schedule, 2015, that would be ours, what's the base of the others? Earlier we talked about the numbers being used from the end of year 2011. What's the base year of other communities?

Denice: 2011 was what heled us determine what communities were comparable. The data for each of these communities is based on 2015 information.

Ald. Bessner: I have no problem with this. This hasn't been changed in 17 years. I don't see it changing drastically, if we don't change it now this is more about the future.

Denice: When I looked at the information the last time there was any adjustment to the elected officials pay was in 2000.

Ald. Lewis: There is a policy, and I've never been able to find the policy, that I'm allowed to miss two meetings and still get paid.

Mark: That policy does not exist. There is nothing in the code that says that, there is no policy.

Group discussion

Ald. Lewis: I think you should get paid. We all attend our meetings we are all there and go through every effort we can to make the meeting. We're not absentee council people. We do prepare ourselves to go to the meetings and I think we should get paid for every meeting whether you're in the hospital or funeral, etc.

Denice: Going to a monthly salary would help take that into account because you would get that salary regardless of attendance.

Ald. Lemke: If anything were to happen, the current sitting council cannot raise its own salary. If we took these 15 numbers and applied them the soonest they would apply is after a 2017 re-election and only half, the remainder, assuming no changes, every 20 years we do this. Those elected in 2019 would also benefit from some increase.

Ald. Payleitner: 96 meeting per year, I get that covered easily. I'm saying that I serve on the Housing Commission, and Rita will confirm, there is a time commitment there. Both those positions, no offence fellas, but that makes your job easier as you do things that make my job easier. For those that don't do anything above and beyond I don't think it's fair that we don't get compensated for those meetings. I'm talking about the meeting that are expected of us in our rolls as Housing Commissioner or chairman of the Planning and Development Committee. I think that there is more responsibility, more work, more meetings associated with those titles and they should be compensated. There's a base salary that everybody is. You go to your required 2 meetings per month and prepare for those meetings and here's your pay. I think above and beyond that is where the conversation needs to be held. I'm not looking to up anybody's salary. I'm saying lets be fair about it.

Denice: That's certainly something that would be considered.

Ald. Payleitner: Divide the jobs up evenly. Everybody has a chairmanship or everybody sits on a commission that meets more than twice a year. Then it's ok, it's fair.

Ald. Krieger: Commission meetings should also be held when it might be convenient for other people to attend. I think that 5pm and 6pm meetings are totally ridiculous.

Ald. Stellato: No matter what we do it all boils down, sometimes, to a headline. The aldermen's salary that we're talking about today is a 26% increase. That's what's going to show up. I know in this room we understand it's been 15 years, and I understand what we're talking about. The headline does not allow for that. It only allows a little blurb. I was with Jo the last time we went through this. We were criticized, it was only \$25 per month, and you would have thought it was hundreds of dollars. As we go through this once again, it's how we spin this, when we do this, tread cautiously.

Ald. Payleitner: I also want to add that I barely come out ahead with my expenses for this job with what we're being compensated. If you want to pay for my phone or my I-Pad, my paper costs, or ink. I don't think that will make a headline. That's part of our expectation of compensation.

Ald. Stellato: There are still people in town that think we're full time and think this is all we do. I'm surprised how many times I get that question. The Chicago aldermen get \$100,000 a year. They think that we are full time paid. We have to educate people.

Denice: There would be a way to craft compensation structure where there was a base salary that takes into consideration the council meetings and a per meeting stipend on top of that for those that didn't choose to volunteer for other committees or commissions. We could look at what some of the other communities do if that's something that you as a group feel would be beneficial.

Mark: One thing that is important to point out is that when we go to the negotiations table, particularly with police and fire, and we go in front of the arbitrator and explain that the philosophy in St. Charles is that we pay in the 75th percentile, that includes me, the firefighter and all of our elected officials. It gives us a standing as a philosophy and that's powerful.

Denice: It is. It holds a lot of weight.

Mark: We can do some deviations, as Denice has suggested, and I think that's possible, but I think we want to make sure we create that base salary at whatever percentage that we pay every other employee in the City of St. Charles.

Ald. Payleitner: I agree. I just want to make sure the criteria is apples and apples.

Denice: I felt it was important to share, for transparency, all the information we collected so you can see each community and what they share with us as to how those elected officials are compensated. You can maybe even see how those communities get to that compensation level. It's very different.

Ald. Payleitner: With that in mind; I see other benefits here. Are those incorporated into the 75%?

Denice: They are not. Our internet stipend that we reimburse each month is not included in those values.

Ald. Krieger: I've never received a monthly internet stipend.

Mark: I thought you didn't use the internet for receiving packets.

Ald. Krieger: I pick mine up, but still have never received a stipend. I still pay for the internet.

Mark: I thought you turned it down. That was my understanding.

Ald. Krieger: Internet is pretty universal. I was using it for work that I shouldn't be charging the City for something that I was reimbursed for through another agency.

Ald. Payleitner: My understanding was that you get your packet printed in lieu of paying for internet.

Denice: I think the intent of the stipend is to help reimburse the expense if someone has internet provider at their home.

Ald. Gaugel: I would say we eliminate this all together.

Ald. Stellato: With that figured in are we above Batavia?

Denice: We're currently at the \$379.17 with the \$35.00 it puts us at the same.

(Slide # 8 p. 8, City Clerk - 75th Percentile) I'm going to go through the rest of these. The City Clerk, there were 12 communities that had have an elected part-time clerk position. Based on the 75th percentile it shows that it should be higher than our current. One of the things we looked at were the actual duties and responsibilities of the City Clerk position and in most communities the City Clerk is working above and beyond what our current City Clerk does. A lot of those functions that clerks tend to do in other communities are actually done by Tina and her team. Based on that information the City Clerk compensation didn't change.

(Slide # 9 p. 9, City Treasurer - 75th Percentile) There were actually 2 communities that had elected part-time positions. In both communities that responsibility falls on the Finance Department or the Finance Director. They found based on the 75th percentile our City Treasurer is above the 75th percentile based on their current compensation. I don't recommend a change.

(Slide # 10 p. 10, Liquor Commissioner - 75th Percentile) There were only 6 communities that indicated that the Mayor served as Liquor Commissioner. Others didn't identify who it was. Some said it was a subset of elected officials or volunteers. There was a variety of different make-ups. Of those 6 communities there were only 2 that actually paid an additional stipend. Based on the data I don't feel that a change is necessary in that area.

Based on the 75th percentile and the data we collected. The recommendation would be that the Mayor's salary would increase from its current level, the Aldermen position would change to a monthly salary, there is no change recommended for the City Clerk,

Treasurer or Liquor Commissioner. We felt that the monthly internet stipend was consistent with what we do with other City staff.

As aldermen Lemke eluded, changes need to be made within 180 days of a municipal election. Any changes made within this calendar year wouldn't be applied until after the election cycle in 2017. For those of you who would be up for re-election in 2017, after that election you would get that. The other folks wouldn't receive it until the 2019 cycle. Changes now would not impact all of you sitting here today.

That's the data. It's not an exact science. When we apply this philosophy it's really hard to get an apple to an apple, but we do our best to normalize the data, collect all the information and make the best calculations we can.

Mark: I think the feedback we're looking for today is if you want us to look for other alternatives for how we pay elected officials; do you want to keep status quo, or would you prefer to consider the recommendations that Denice has just presented?

Mayor Rogina: I wrote down 5 points here, some are sheepish about bringing this up at all, some are concerned about the internet that shouldn't be part of our salary, some are concerned about how it plays on the front page of the newspaper, some think there should be consideration for a differentiated pay based on committee work and assignments. Somebody said, and this has nothing to do with the current group here, but it would be for 2017 and 2019 considering the fact that in that 2-year period there would be differentiated pay.

Ald. Turner: We could just get paid for committee meetings.

Ald. Lewis: I'm comfortable with coming to some conclusion that the salary increases. I don't have any problem with that.

Mayor Rogina: I agree with you 100%.

Ald. Turner: I agree with Maureen. What we're saying is now we're going to start paying them for something that they have done for the last 10-15 years at less than half the rate of what they get for the actual Council Meeting.

Ald. Bancroft: Do you think it's bad to raise this issue for use even though it doesn't apply to the people sitting here now after cutting the groups the way we cut them and looking at the budget crisis we had?

Denice: Based on the way this would be implemented, with the election cycle being in May/April of 2017, you actually would have some time before you would have to make any type of decision to act on this. You can take the next 6-8 months to evaluate. There is a little time to contemplate this. To Aldermen Stellato's point, I think how we crack

the message, we could come up with some talking points and professionally reiterate the reasons why.

Ald. Krieger: We have raised the utility fees, cut services and now we're going to ask for a raise for the Aldermen and the Mayor. It doesn't play well.

Mark: Do we want to consider an adjustment at all. Is it a yes or no? If yes, we talk about the strategy.

We can't vote here. Can we get everyone's opinion?

Ald. Lewis: Yes, I don't see a problem with this. I trust people understand there is value in the job we do.

Ald. Payleitner: Yes, I stated my piece already.

Ald. Silkaitis: I'm content with what we have now.

Ald. Krieger: No.

Ald. Lemke: Consider it next year.

Ald. Bancroft: No

Ald. Stellato: No

Ald. Gaugel: I'm an absolute no.

Ald. Bessner: I would say yes. I think if we don't do it now it's not going to be done for anybody else.

Ald. Turner: I think we should raise it to \$50 for committee meetings.

Denice: Another item we suggested is instead of doing it per meeting doing it on a monthly salary basis. We could consider doing that and not change what that dollar value is, just change how it's done administratively.

Mayor Rogina: We could make this effective in 2019.

Mark: That's correct.

Mark: Thank you department directors for a busy, full day.

Employee Compensation Program

Mark: This afternoon I'm going to talk about how we got to where we are from a historical point of view. There was a November 2007 audit of our compensation program and there is a merit and market pay program today.

(Slides 3-5 – History of Employee Compensation) Back in the former Mayor Norris Era there were a group of employees who got together with a group of council people and had negotiations, on an informal basis, and met with Bill Birth who was the Administrative Services Director to discuss a market adjustment.

There was some administrative services oversight on wages. There was some sort of a step program. Directors received adjustments by the Council in Executive Session.

During the Klinkhammer/Maholland Era the basis for today's program was initiated. The whole concept of the 75th percentile, a merit and market program, comparable communities, job descriptions, that all developed in that time frame. At one point in time the assessment score, the numerical value at the end of your annual performance review, was tied to the merit pay program. At the end of Mr. Maholland's term he decided there was no nexus between your performance and your merit pay.

Larry did not believe there was a nexus between performance and merit pay. He dealt with that by saying whatever your last merit value was that's what you got in the future, every year.

Ald. Lewis: Would it increase every year, with cost of living?

Mark: If in the year 2004 it was 2% based on your performance evaluation score, the nexus between your score and your merit, the following year when there was no nexus there was still merit. You just got another 2% as merit in addition to your market.

DeWitte/Townsend era: Brian very much believed that there was a nexus between performance and merit. He rolled it back into the program. We went through some tough economic turmoil and Brian chose to roll market and merit together as a single sum. It was distributed based on your performance evaluation score alone.

(Slide 6 & 7 – November 2007 Audit) November 2007. At that time Human Resources Department hosted an audit and retained HayGroup, Inc. They are well known in the Chicagoland area for having involvement with compensation programs and a lot of administrative activities. In terms of the general audit recommendations that came out of this study. St. Charles philosophy of leading the market is reasonable. When I say leading the market I saying we're paying above average, above the 50% level, we're at 75%. It was suggested we continue the philosophy of Human Resources, the City Administrator and the Council setting compensation philosophy. That included the 75th percentile of market data, the 3 criteria that we use for determining comparable

communities mainly proximity, corporate operating budget and EAV, we should continue using. They suggested that we continue to do a comprehensive market analysis for positions every 2-3 years. That has been implemented. They recommended that we streamline the process with bands. That has been implemented. To identify what that means; at one point in time every single position was compared individually to positions in the comparable communities. It was a very time consuming tedious operation. By putting them in bands we said there area like kinds of positions throughout the City of St. Charles within the same pay range. For example, a lieutenant in the fire department may get paid the same as a captain in the police department which may get paid the same as division manager in Public Works. They are in the same pay band or range. Finally, they recommend that we use steps for range movement. When I talk about steps I mean, if the pay range for your job is \$5 at the minimum and \$10 at max, there is a step program that moves you from minimum to max. Let's say you get a \$1 a year. By the time you get to year 5 you have maxed your range. That's the step program.

What do other communities do? That was looked at in this study. Other comparable communities do use proximity as we do. They talk about population in some cases and use a range of your population between 25% - 50% higher or lower than what the current population is. Some of them use corporate operating budget, some use EAV and numbers of employees. Again, we use in St. Charles today, proximity, operating budget, EAV. We're not totally off base with what our other communities do. There are some variations of what we do.

Before we move on there was a question asked from Ald. Bancroft; what's the history of this? Beside the fact that I know it came on board in the Larry Malholland era, I don't have a lot of history. I remember that the council acted on it officially during the era of Mayor Klinkhammer. I do know we've talked about the 75th percentile community with great detail as recently as a Q-Center Fall Retreat in 2008/2009 where we reviewed whether we should stay at the 75th percentile. That's about as much history as I can tell you.

(Slide 8 & 9 – Market and Merit Pay Program Today) What is the Council's roll, as I see it, in the process today? Chris Minick and I always made sure we told you that the budget for the year includes a certain percentage for merit. For the current fiscal year 15/16 we shared that we were talking about a 3% budget for the merit program. That translates into \$216,000, that's 3% of non-union compensation. With the discussion and the action that the Council took regarding outside agency funding and that it be cut 10%, administratively Chris Minick and I reduced the 3% for the merit to 2.5%, which translates to \$180,000. The evaluations were all completed and because there is a tie to what your numeric score is, when it comes down to the final assessment we spent \$143,000 for this current fiscal year.

The overall philosophy for the compensation program is something that you need to be involved with. That's the responsibility as the Board of Directors. In the past there have been conversations on how this plays up compared to the union compensation. It's based

on comparable community criteria and the 75th percentile strategy. Once piece of oversight of philosophy that I think we need to be more rigorous about is we need to outside firm do an audit of our compensation program more regularly.

Today our program is driven by a market program. Market means cost of living adjustments. We look at comparable communities, what they are giving for cost of living adjustments, this year it was 2.5%.

Ald. Lewis: You only do that in the public sector jobs, not for the government jobs.

Mark: Comparable communities.

Ald. Lewis: Government to government.

Mark: Yes.

Ald. Stellato: Of these comparable communities how many of those communities pay at 75th percentile?

Mark: I could go back to the 2007 audit. There is some of that information there. I don't know off the top of my head.

The other part of our program is merit. That's driven by your performance assessment. In your binder there is a copy of the performance assessment form. It looks a little different than what you have seen. It's been updated this year. It included individual merit, that is to say what I as an individual contribute to the City of St. Charles. There is also citywide merit, which is what I added to my team, my department and my City. There have to be very specific examples of what contributions were made.

I have started the draft that will talk about how we break gap between the very top performers in the organization and the good performers. We are rewarding people who are particularly stellar and we are rewarding the good solid contributors, but they don't get the same recognition from a pay perspective as your star performers.

Mayor Rogina: All union contracts are simply a negotiated number and there is no merit. All non-union individuals, until a couple of years ago, received just merit with no market piece. It was strictly merit.

Mark: For step. If you were to advance in your range it was strictly related to your merit component.

Mayor Rogina: I think that this year with a 2.5% market and 2.5% merit that you and Chris allotted the average payout for a non-union employee is 5% salary increases, some getting less some getting more than 5%. It seems to me that raised a few eyebrows.

Ald. Lemke: 20 years ago what we found was that with factors like that we did have rages, everybody got to the top of the range very quickly even when they were reset to the 75th percentile. What we would do is give a bonus that you would have to earn every year to be over range.

Mark: In the St. Charles program today, if you are not at max you adjust based on what your merit is, if you are at the top of your range you can get a bonus.

Ald. Bancroft: Does that mean we pay at the 75th percentile or higher than the 75th percentile?

Mark: If you consider a bonus as part of the pay program then we pay above.

Ald. Bancroft: I want to be careful. We're blessed with amazing staff. I do not understand the compensation program as it is currently being implemented. If we're being asking to opine or implement what the philosophy of this organization, I don't think I've ever been asked to do that. No one has ever asked do you think this is the right way to do this with the 75th percentile. I don't even know what my answer to that question would be. From the private sector experience I have we target people to pay base on the market with differentiators of good performance and above good performance. We target people at the 50th percentile for good performance. Once the defined good performance is exceeded they march their way into a much higher level of compensation and depending on the level of employee may not even be capped. I don't know how all of that translates into a public service forum. Right now it feels as though we automatically pay for superior performance because we've targeted things at the 75th percentile. I don't even know if that's right. I don't feel like we have enough understanding or information. It is a huge internal control failure to not have a compensation audit in 8 years. You set what the what the comparable communities are, you adjust it based it on job descriptions which are subjective. I say that in a non-accusatory way. If I were you I wouldn't want to be in that position because that's a tremendous conflict. Again, looking at our staff and how great this place runs there is a great deal of success that's happened. I don't think I would want to be in your position and I don't think anyone has ever put us in a position to opine anything.

Mark: I would agree with you. That's why I've tried to be transparent as much as I can. I think we should, based on what's happened in the last 6 months, there is even more reason to do it.

Ald. Bancroft: I'm not sitting in this chair thinking we're paying too much. I'm worried we're not paying enough. I'm worried we could throw incentive dollars out there that could take performance from one level to the next. I'm thinking about the projects we have on our list. We're going to be building a new police facility. There are at least 4 gentlemen that should be incentivized to bring that on time, on budge, without a hiccup. If it happens they ought to get paid to make it happen. I don't want to be artificially

constrained because of some antiquated methodology. If we bring that project in and it's \$3M under budget. I want to more than tip someone for that.

Ald. Stellato: Mark, a few years ago we talked about hiring Ellen DaVita, eventually Theresa Faucet, Chris Hasten and Brian Pabst and all the economic development people. We wanted to pay them like a broker would be paid. We need senior housing in our community, we all agree, give it to Matt or Rita, her department and say go out and find us a senior housing developer who will come in and build this. If you bring this in, it's successful, and we all agree that's it's to be built that person should get something extra. That team, that department. That was the incentive package you started first talking about when we created the position of economic development person. They were going to be incentivized. We do the same thing in our organization. We might be able to pay at the 65th percentile but some of these teams might be paid more because they have done things they've been asked to do.

Ald. Lemke: If they get \$20,000 bonus for doing that it shouldn't go into their base and they get that forever. If we say it's an incentive, such as a sales commission, it shouldn't be automatic added to the base.

Ald. Bancroft: I feel like we are constrained in this current system. It would be very difficult to reward superior performance.

Mark: This program was originally laid out to identify pay for superior performance. How it operates if you are a good performer or better you gain some benefit. It doesn't really acknowledge the superior performance.

Ald. Lewis: Do other comparable communities pay with merit pay?

Mark: There are some that do and some that don't. I couldn't tell you how many.

Ald. Bancroft: I think a new audit will unearth a lot of that.

Ald. Lewis: If I understand correctly, it might not cost the City any more dollars. It's just the right people are going to get it instead of across the board. At a lower percentile and a bigger incentive.

Ald. Bancroft: I think there could be instances where it does cost the City more, but really it comes down to alignment. Are the objectives and results for the organization aligned with the incentives? That's where it starts and stops.

Ald. Lewis: It could still not cost more if they came in under budget. They save money. I'm hesitant to keep spending more and more.

Ald. Bancroft: If you save \$3M and you pay a nice bonus out for saving that money. It's a win, win and everybody is aligned.

Ald. Stellato: You could almost go by department. For instance, the Finance Department, Chris Minick. If his budget wins the award and it wins every year, you get this much. Police department becomes CLEA certified they get something, Fire Department hits a certain ISO rating they get a certain amount. If the economic development department gets this much business they get something. Maybe we give this incentive package to the auditor and ask how we develop a package.

Ald. Silkaitis: No individual is going to do this on their own. Do you reward the department and divide whatever we decide? That will make budgeting a problem in the future. How do you know what your numbers are? We won't know what it will be for compensation because we don't know what will happen.

Ald. Stellato: We would budget at 75th percentile and worst case is we would come in under. We couldn't come in over, because there would be people that would lose their jobs. If we come in under it's okay.

Ald. Bancroft: All a budget is, is a snapshot. When you start thinking about incentives and rewarding performance you're typically going to reward based on some type of result. Typically there is a financial impact and you don't reward dollar for dollar. It's all about alignment.

Ald. Silkaitis: If we start doing that are we increasing the possibility of doing things without telling anyone? Are they going to start being salesmen now? You're changing the entire structure. Are they going to be money hungry? They are going to be doing things they wouldn't be doing normally.

Ald. Stellato: What I'm suggesting is when we do the audit, if they come back and say we're paying too much money. 75th percentile is too high you should be at 65. We can't cut everybody's salary. But what we can do is give you a way to make some of it back by doing a certain amount of goals. Maybe the audit comes back and 75 percentile is too low. Maybe we should be paying more. That's going to be a whole other set of challenges.

Ald. Bancroft: This whole ease of the union negotiations means we're overpaying the unions. If we're wrong. I don't see our system for non-union employees dictating our approach. I think it may make sitting across the table easier, but I'm not interested in that.

Mark: I think we need to do an audit. I think we need to understand what we can do, because we're in public sector, what we can do differently base on performances, the broker concept, how that plays out from an arbiter perspective. There is a consistency, strategy it would be a departure from what I know other communities do, but I think the audit will confirm that.

Ald. Stellato: We're doing everything correct right now, don't worry about it.

Mark: I think we need to stop and say where are we today? Where do we want to go and how do we get there? I've heard you say this afternoon: 1. Let's do an audit and find out if what we're doing today makes any sense and if there are any different strategies out there. Is 75th percentile the right value, again 75th percentile is the maximum of a pay range. It's not how everyone is paid it's the maximum. Find out what some of the other communities are paying if it included merit and market. Every time this conversation comes up it takes emotional energy away from the workplace.

Mayor Rogina: The same is true for the non-for-profits. The CVB is already asking for an emergency meeting. Everything is all over the place, but it should also tell you we're doing our job and asking some questions.

Mark: If you have questions on pay give me a call. I have no problem sharing what I understand the facts to be.

Mayor Rogina: I think it was a well-constructed profitable day. Thank you.

Mark: Alderman Lewis wants to talk about AIB.

Ald. Lewis: You have the America in Bloom report. The committee chairs went over the report with what was suggested for us to do and they prioritized it with yes it could happen, might be long term, no, it's never going to happen. An example was they said we needed to put in bathrooms at Lincoln Park. Holly Cable said it's never going to happen. Their comments are all there. How they weighted them. What we could do, what we couldn't do and the bottom line is the committee is very excited about where they are, and where they're headed. They would like to do it another year and would like to ask the City for the \$1,000 to go forward. It might take \$2,000 or \$3,000 more. I think last year we had \$5,000 and it came out of the Mayor's budget. Maybe we can find a different budget but we're looking for somewhere in that range. They will obviously get as much donated as they can. The plan is to involve more businesses on our committees. We would like to ask Aqua Scape and Clarke to have a representative with America in Bloom maybe in the future their companies will take it over and sponsor it. We'd like to have the go ahead to do at least one more year. Maybe not to win this time but to bring them in and take them into the 7th Avenue Creek and ask their ideas and use them as real consultants around the City for 2 days.

Ald. Bancroft: You said the Mayor was paying for this.

Ald. Lewis: Yes. We have to enter by February. I don't know if you need to have them come before the Council and ask for money or how you want to handle that. I'd like to go back to them and say yes.

Mark: I think if the Council would suggest this afternoon that they would like to move forward we can set it up and make it happen.

I do the Friday afternoon updates from time-to-time. If they don't help I'll stop.

Everyone stated that they want the Friday updates to continue.

Mark: Do you want to be on TV?

Everyone stated they do not want to be on TV.

Mayor Rogina: Motion for adjournment.

Moved and second; Ayes: Unanimous; Nays: None. **Motion carried.**