City Council Meeting  
April 15, 2019

Call to Order
Deputy Clerk Meadows called the regular meeting scheduled for April 15, 2019 of the McHenry City Council to order at 7:00 pm in the McHenry City Council Chambers, 333 S. Green Street, McHenry, Ill.

Roll Call
Deputy Clerk Meadows called the roll. Roll call: Members present: Alderwoman Condon, Alderman Devine, Alderman Mihevc, Alderman Curry, Alderman Schaefer, Alderman Glab, and Alderman Santi. Others present: Attorney McArdle, Administrator Morefield, Director of Public Works Schmitt, Director of Community Development Polerecky, Finance Director Lynch, Director of Parks and Recreation Hobson, Director of Economic Development Martin and Chief of Police Birk. In the audience was Human Resource Director Campanella, Deputy Chief Walsh and Engineer Strange.

Pledge of Allegiance
Mayor Jett proceeded to lead those present in the Pledge of Allegiance.

Proclamation: Proclaiming April 26, 2019 as Arbor Day.
Mayor Jett proceeded to read a proclamation proclaiming April 26, 2019 as Arbor Day in the City of McHenry.

Public Comment
Mayor Jett asked if anyone in the audience wished to address the Council Members at this time. Those in attendance offered no comments.

Consent Agenda:
Motion to Approve the Following Consent Agenda Items:
A. Appointment of Ann Buss to fill a vacant Trustee position on the McHenry Police Pension Board;
B. Boone Creek Dredging Spoil Hauling Contract Award to Sunset Logistics, LLC of Crystal Lake, Illinois in an amount not to exceed $216,000;
C. Parks & Recreations Facilities Alcohol and Special Use Permit Request;
D. April 1, 2019 City Council Meeting Minutes;
E. Issuance of Checks in the amount of $207,155.95.
F. As needed Checks in the amount of $119,031.56;

Mayor Jett asked the Council Members if there were any items listed on the consent agenda they wished to remove for separate consideration. Alderman Santi stated that he did not wish to remove any items from the consent agenda. However, he did have a request for clarification on agenda item number 6.B.

A Motion was made by Alderman Santi and seconded by Alderwoman Condon to approve the consent agenda items A-F as presented.
Alderman Santi questioned why the bid amount of $216,000 was much higher than the original budgeted amount of $160,000. Director Schmidt explained that the cost estimate was based on local trucking companies’ quotes. However, the bid amount is based on quantified quantities which increased the actual trucking cost. Alderman Santi thanked Director Schmitt for the explanation. There being no further discussion on the motion Deputy Clerk Meadows called the roll. Roll call: Vote: 7-ayes: Alderman Santi,

Individual Action Item Agenda
Motion to approve an Ordinance authorizing the Mayor’s execution of an Economic Incentive Agreement between the City of McHenry and RR McHenry LLC.
Director Martin provided the City Council Members with an overview of the proposed economic incentive agreement between the City of McHenry and RR McHenry LLC. He reported in October of 2016 the City Council have approved a Development and Economic Incentive agreement with Bluestone Single Tennant Properties LLC to offset the sites development expenses which included the cost of a high tech fueling center, a retail development phase along with an extension of the City’s watermain for a property generally located at the northwest corner of Chapel Hill Road and Illinois Route 120 at a projected cost $15,000,000.

Director Martin went on to report that the original agreement included a total of three (3) liquor licenses for the overall project. One of the liquor licenses would permit the sale of package liquor on the premises of the fueling station/convenience store and the two remaining licenses would be issued to the detached retail spaces. However, since that time the agreement had expired. This matter was brought back to the City Council for consideration on March 18, 2019 at which time Staff reported that a Thorntons Fueling Station would be replacing the original proposed Ricky Rockets Fueling Station. The Council Members expressed concerns with respect to the request for two additional liquor licenses being issued to an ancillary retail building located west of the fueling center.

Since the March 18th meeting, Mayor Jett had spoken with the developer Mr. Rick Heidner and the developer agreed to forgo the two additional liquor licenses.

Mayor Jett asked if anyone in the audience wished to comment on the matter under consideration. Those in attendance offered no comments.

Mayor Jett thanked Developer Rich Heidner for working with the City and agreeing to forgo the two additional liquor licenses.

There being no further discussion on the motion, A Motion was made by Alderman Santi and seconded by Alderman Schaefer to approve an Ordinance authorizing the Mayor’s execution of an Economic Incentive Agreement between the City of McHenry and RR McHenry LLC. Roll call: Vote: 7-ayes: Alderman Santi, Alderman Schaefer, Alderman Glab, Alderman Curry, Alderman Mihevc, Alderman Devine and Alderwoman Condon. O-nays, O-abstained. Motion carried.

Motion to accept the surrender of the Class A liquor license from the McHenry Country Club and grant the issuance of a Class A liquor license to Food For Thought McHenry Country Club LLC d/b/a Metalwood Grille pending approval of its application.
Administrator Morefield reported that Food for Thought McHenry Country Club LLC d/b/a Metalwood Grille has submitted an application for the transfer of a Class “A” liquor license at the McHenry Country Club located at 820 N. John Street. He reported that Food For Thought LLC operates food and catering services, including the service of alcohol, in the public and private venues throughout the Chicagoland area.
Mayor Jett asked if anyone in attendance had any comment on the matter under consideration. Those in attendance offered no comments.

There being no further discussion on the motion, **A Motion was made by Alderman Schaefer and seconded by Alderwoman Condon to accept the surrender of the Class “A” liquor license from the McHenry Country Club and grant the issuance of a Class “A” liquor license to Food For Thought McHenry Country Club LLC d/b/a Metalwood Grille pending approval of its application.** Roll call: Vote: 7-ayes: Alderman Schaefer, Alderwoman Condon, Alderman Devine, Alderman Mihevc, Alderman Curry, Alderman Glab and Alderman Santi. 0-nays, 0-abstained. Motion carried.

**Motion to adopt an Ordinance amending Chapter 9 of the City of McHenry Code to Prohibit Sweepstakes Machines.**

Attorney McCardle reported that there had been recent conversations regarding sweepstake electronic machines. Which are similar in nature to video poker machines. Chief Birk reported that a sweepstake machine had recently been installed at one of the City’s fueling center/convenience store locations. Staff had contacted the terminal operator and asked them to remove the machine as the establishment’s owner did not have a video gaming license. Staff reported that the sweepstake machines distributor informed Staff that if the City did not enact an Ordinance prohibiting the sweepstake machines they would continue to solicited other establishments within the City limits. Attorney McCardle recommended the City Council adopt the Ordinance under consideration.

Mayor Jett asked if those in attendance had any comments regarding the Ordinance under consideration. Those in attendance offered no comments.

**A Motion was made by Alderman Curry and seconded by Alderman Santi to adopt an Ordinance amending Chapter 9 of the City of McHenry Code to Prohibit Sweepstakes Machines.** Roll call: Vote: 7-ayes: Alderman Curry, Alderman Santi, Alderman Glab, Alderman Schaefer, Alderman Mihevc, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

**Discussion Only Items**

**Discussion Regarding the FY2019/2020 Proposed Budget**

Administrator Morefield provided the Council Members and those in attendance with an overview of the budget process. He reported that back in December and January he along with the Directors worked on preparing the draft budget line items and in February the draft FY19/20 proposed Operating Fund Budget was transmitted to the Finance and Personnel Committee and to the full City Council. The Finance and Personnel Committee Members discussed the proposed FY19/20 Budget during four separate Committee Meetings and at the conclusion of the four meetings the Committee Members directed Staff to draft two budget scenarios one depicting the General Fund with the four additional personnel positions and the other without. Both budget scenarios had been distributed to the full City Council.

Administrator Morefield briefly highlighted some of the City’s accomplishments. He reported Staff had recommended and the City Council approved the reduction in developer impact fees to encourage development of existing dormant residential developments.
Administrator Morefield reported that Staff had transferred insurance coverage to the IPBC systems resulting in a reduction in healthcare insurance costs.

Administrator Morefield commented on the fact that Staff had assisted in opening 26 new businesses resulting in approximately 321 full-time jobs within the City limits.

Administrator Morefield reported that the Police Department had obtained the reaccreditation through the Commission on Accreditation for Law Enforcement (CALEA) and handled more than 38,700 Emergency 911 calls and 91,137 non-emergency calls through NERCOM. Along with coordinating with various agencies to hold a large scale training drill at the McHenry East Campus.

Administrator Morefield commented on the construction and consolidation of the Central and South Wastewater Treatment Plants.

Administrator Morefield noted that these were just a few of the accomplishments made throughout this fiscal year.

Administrator Morefield continued on to provide the Council Members with an overview of the General Fund FY18/19 anticipated revenues. He reported that the total revenues is estimated to be $666,448.00 which is 3.0% higher than budgeted amount. He went on to report that property tax, sale tax and State income tax is $178,468.00 higher than budgeted amount.

Administrator Morefield reported that of the remaining 24.4% of the anticipated revenues is related to video gaming revenues which is estimated to be $162,691.00 higher than the budgeted amount.

Administrator Morefield discussed the anticipated FY18/19 General Fund expenditures. He reported that the total FY18/19 expenditures are estimated to be $97,511.00 which is 0.04% lower than budgeted amount. In addition, personnel, contractual, supplies and capital outlay expenditures are all lower than previously budgeted.

Administrator Morefield commented on the proposed FY19/20 Budget with and without the four additional personnel positions. He reported that both of the proposed budgets are operationally balanced.

Administrator Morefield concluded his presentation with an overview of the General Fund Operating Budget and the proposed Enterprise Fund, Restricted Fund and the Fiduciary Fund Budgets.

Alderman Glab questioned the status of the current funding level of the Police Pension Fund. Director Lynch reported the Police Pension Fund is currently 52% funded and anticipates the Police Pension Fund to be fully funded by 2040.

Administrator Morefield asked the Council Members if they had any questions or comments on either of the proposed budget scenarios.

Alderman Santi thanked the Finance and Personnel Committee along with Staff for all their hard work on drafting the budgets. He went on to question the justifications for the request of additional personnel. Alderman Santi commented on the recent approval of the increase in the sale tax and the
telecommunication tax. At the time he was not under the impression that the intention of the additional new revenue streams were going to be allocated to absorb labor and benefit costs.

Alderwoman Condon reported that during this fiscal year two positions had been eliminated and in her opinion the City should recruit a professional social media expert. There was some discussion with respect to the social media coordinator being a combine responsibility of the proposed Human Resource Coordinator’s position.

Alderman Glab expressed concerns with the City incurring additional personnel cost at this time. He recommended the Council Members wait a year to see the true impact the additional sale tax and telecommunication tax revenue streams will have on the budget.

The Council Members along with Staff engaged in a lengthy and lively debate with respect to the additional personnel positions.
Alderman Curry expressed his strong opposition to the proposed budget scenario that included additional personnel. He went on to comment that in his opinion additional personnel costs is a liability that will continue to increase over the years and will quickly deplete the new revenue streams.

Chief Birk once again defended his request for two additional Police Officers. Chief Birk reported that he along with Deputy Chief Walsh had completed an extensive analysis based on the specific needs of the City which cannot be compared to other surrounding communities due to many factors that are unique to the City. Chief Birk also noted that the community has expectations with respect to Police services and response times and without the correct Staffing levels the department struggles to provide acceptable services. Alderman Curry referred back to the FBI Staffing Level Table in which their mathematical formula concludes that the current City’s staffing levels are adequate.

Mayor Jett identified that staff was looking for direction regarding what positions to include or not include in the final budget document and conducted a straw poll of Council as to whether to include positions, per position requested, these being two Police Patrol Officers, one Human Resources Coordinator, one Parks Division Maintenance Worker. This resulted in a majority of Council supporting the two additional Police Patrol Officer positions and the one Human Resources Coordinator position. As a result of this exercise the final proposed budget document will include two Police Patrol Officers and one Human Resources Coordinator and will placed on the Annual City Council Agenda scheduled for April 29, 2019.

Executive Session
There were no matters brought forward to discuss in executive session.

Staff Reports
Chief Birk announced that Duke the K-9 Unit’s service dog will be retired in May after eight years of service.

Mayor and City Council Comments
Mayor Jett congratulated Ms. Baehne, Ms. Miller, Alderman Glab and Alderman Devine on their recent election victory.

Adjournment.
There being no further public business to discuss, a Motion was made by Alderwoman Condon and seconded by Alderman Curry to adjourn from the public meeting at 8:55 p.m. Roll call: Vote: 7-ayes:
Alderwoman Condon, Alderman Curry, Alderman Glab, Alderman Schaefer, Alderman Mihevc and Alderman Devine. 0-nays, 0-abstained. Motion carried.

Respectfully submitted,
Debra Meadows

Mayor

Deputy Clerk