City Council Meeting
November 12, 2018

Call to Order
Mayor Wayne Jett called the regular meeting scheduled for November 12, 2018 of the McHenry City Council to order at 7:00 pm in the McHenry City Council Chambers, 333 S. Green Street, McHenry, IL.

Roll Call

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

Ms. Rachael Lesperance a representative from Eder, Casella & Co. the independent audit firm that conducted the City’s 2017/18 audit provided the Council Members with a brief overview of the City’s annual financial report.

Ms. Lesperance reported that there was no management letter drafted, which represents that there were no discrepancies in the accounting practices noted. Ms. Lesperance continued on to highlight portions of the report. She commented on the portion of the report regarding the General Fund balance which is $7,266,961. Ms. Lesperance commented on the fact that per the City’s Fund Balance and Reserve Policy the General Fund’s unassigned balance should be approximately 120 days of the estimated operating expenditures which is $83,486 higher than the current funds on hand.

Ms. Lesperance commented on the Proprietary Funds including the annual operation income and expenses for the Water and Sewer Fund. She reported that the Water and Sewer Fund has an operating income of $1,101,529. In addition, the Water/Sewer rates will still need to be annually reviewed and adjusted as operating revenues have increased due to debt service fees for the IEPA loan. Ms. Lesperance concluded her presentation by thanking the Council Members and Staff for allowing her firm the opportunity to serve as their auditors. She noted that it is a pleasure working with Administrator Morefield and the Finance Department Staff.
Mayor Jett amended the agenda to include a presentation from the McHenry Chamber of Commerce regarding their annual updates. Chamber Members Mike Mrachek and Kristina Hostica provided the Council Members with an update on this year’s special events. They reported that all the events held throughout the year had been successful and well attended. They thanked the City Council Members and all the City Staff for their support throughout the year.

Mayor Jett took a moment to acknowledge all the Veterans and thanked them for their service. Those in attendance applauded those who had served.

Public Hearing: Proposed Amendment to the Annexation Agreement with Heritage Pointe Estates LLC (Cunat Inc.) for the Patriot Estates Subdivision. Mayor Jett called the public hearing to order at 7:14 p.m.

Attorney McArdle reported that the amendment to the Heritage Pointe Estates LLC Annexation Agreement is related to a request for a reduction in impact fees which was recently granted to several other developers.

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

Mayor Jett asked if the Council Members had any comments on the matter under consideration. Alderman Glab commented on the development’s density. He noted that in his opinion at the time when the original annexation agreement was executed the City made several concessions.

There being no further discussion on this matter, Mayor Jett stated that he would entertain a motion to close the public hearing portion of the meeting. A Motion was made by Alderman Santi and seconded by Alderwoman Condon to close the public hearing. Roll call: Vote: 6-ayes: Alderman Santi, Alderwoman Condon, Alderman Devine, Alderman Curry, Alderman Schaefer and Alderman Glab. 0-nays, 0-abstained. Motion carried.

Motion to adopt an Ordinance authorizing the Mayor’s execution of the Proposed Amendment to the Annexation Agreement with Heritage Pointe Estates LLC (Cunat Inc.) for the Patriot Estates Subdivision, relative to the reduction of impact fees through September 24, 2019.

A Motion was made by Alderwoman Condon and seconded by Alderman Devine to adopt an Ordinance authorizing the Mayor’s execution of the Proposed Amendment to the Annexation Agreement with Heritage Pointe Estates LLC (Cunat Inc.) for the Patriot Estates Subdivision, relative to the reduction of impact fees through September 24, 2019. Roll call: Vote: 6-ayes: Alderwoman Condon, Alderman Devine, Alderman Santi, Alderman Schaefer, Alderman Curry and Mayor Jett. 1-nay: Alderman Glab, 0-abstained. Motion carried.
Public Hearing: Proposed Amendment to the Annexation Agreement with TRG Venture Two LLC for the Legend Lakes Subdivision. Mayor Jett called the public hearing to order at 7:18 p.m.

Mayor Jett asked if anyone in the audience wished to comment on the matter under consideration. Those in attendance offered no comments. Mayor Jett stated that he would entertain a motion to close the public hearing. **A Motion was made by Alderman Santi and seconded by Alderman Curry to close the public hearing portion of the meeting.** Roll call: Vote: 6-ayes: Alderman Santi, Alderman Curry, Alderman Glab, Alderman Schaefer, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

**Motion to adopt an Ordinance authorizing the Mayor’s execution of the Proposed Amendment to the Annexation Agreement with TRG Venture Two LLC for the Legend Lakes Subdivision, relative to the reduction of impact fees through September 24, 2019.**

Alderman Curry questioned the impact fee reduction worksheet. Director Polerecky reported that there was an error on the impact fee reduction worksheet which was included in the packet. He reported that the total impact fee reduction should be $8,200.

There being no further discussion on the motion, **a Motion was made by Alderman Devine and seconded by Alderwoman Condon to adopt an Ordinance authorizing the Mayor’s execution of the Proposed Amendment to the Annexation Agreement with TRG Venture Two LLC for the Legend Lakes Subdivision, relative to the reduction of impact fees through September 24, 2019.**


Public Comments

Mayor Jett asked if anyone in the audience had any questions or comments for the Council Members. Those in attendance offered no comments.

Consent Agenda.

**Motion to Approve the Following Consent Agenda Items:**

A. Waive bidding requirements and approve the purchase of Beacon Reading Software from Midwest Meter, Inc. in an amount not to exceed $25,000;

B. Motion to accept a proposal for Well #2 chemical treatment and pumping equipment replacement from Water Wells Solutions of Elburn, Illinois in an amount not to exceed $25,135.50;

C. Resolution recognizing the importance of apprenticeships to our community and designating November 12-18, 2018 as National Apprenticeship Week in the City of McHenry;

D. Resolution designating November 24, 2018 as Small Business Saturday in the City of McHenry;

E. October 15, 2018 Council meeting minutes;
F. Payment of Bills in the amount of $1,524,152.95.

Mayor Jett asked the Council Members if there were any items listed on the consent agenda they wished to remove for separate consideration. The Council Members offered no comments. **A Motion was made by Alderman Schaefer and seconded by Alderman Curry to approve the consent agenda items A-F as presented.** Roll call: Vote: 6-ayes: Alderman Schaefer, Alderman Curry, Alderman Glab, Alderman Santi, Alderwoman Condon and Alderman Devine. 0-nays, 0-abstained. Motion carried.

**Individual Action Item Agenda.**

**Motion to approve a Resolution estimating the Property Tax Levy request for 2018 (collected in 2019) at $4,618,786, and establish the date of December 3, 2018 to conduct a Public Hearing to consider approval of the Property Tax Levy.**

Alderwoman Condon noted that she realized that property owners are struggling with the current rate of property taxes. In addition, Alderwoman Condon commented on the fact that it would be hard to justify a property tax increase on already burdened homeowners. However, she cautioned the Council Members on continuing to recommend keeping the tax levy flat as these funds are intended to fund municipal services.

Alderman Curry reported that currently the Finance and Personnel Committee are investigating other revenue streams which would not directly impact the property owners in the community.

Alderman Glab suggested that in the near future Staff research the process and impact of imposing a Transfer Tax. Alderwoman Condon noted that the Community Development Committee in 2017 had a lengthy discussion on this topic and as a whole declined to move forward with the discussion or recommendation to the fully City Council. Alderman Curry reported that he was unaware that the Community Development Committee had already researched this type of revenue stream.

There being no further discussion on the motion, **a Motion was made by Alderman Schaefer and seconded by Alderman Santi to approve a Resolution estimating the Property Tax Levy request for 2018 (collected in 2019) at $4,618,786, and establish the date of December 3, 2018 to conduct a Public Hearing to consider approval of the Property Tax Levy.** Roll call: Vote: 6-ayes: Alderman Schaefer, Alderman Santi, Alderman Glab, Alderman Curry, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

**Motion to award a construction bid to Martam Construction in the amount of $299,857 for the development of a concession building with washrooms and storage at Fox Ridge Park.**

Mayor Jett asked if those in attendance had any comments with respect to the matter under consideration. Those in the audience offered no comments.
Administrator Morefield reported that the installation of a concession building with restrooms and a storage facility at Fox Ridge Park was included in the Parks Developer Donations Capital Improvement Project list that was previously approved by the City Council during the FY-2018/2019 Budget process.

He went on to report that the Bids were opened on October 26th and in total the City received six bids. The bids ranged from the low bid of Martam Construction at $299,857 to a high bid of $462,500. The bids were reviewed by HR Green and they recommend the acceptance of the bid from Martam Construction.

Alderman Santi asked if the bidder had performed any previously work on behalf of the City. Staff responded no. However, they are familiar with their projects completed on behalf of the City of Elgin.

There being no further discussion on the motion, a Motion was made by Alderman Curry and seconded by Alderman Schaefer to award a construction bid contract to Martam Construction in the amount of $299,857 for the development of a concession building with washrooms and storage at Fox Ridge Park. Roll call: Vote: 6-ayes: Alderman Curry, Alderman Schaefer, Alderman Devine, Alderwoman Condon, Alderman Glab and Alderman Santi. 0-nays, 0-abstained. Motion carried.

Motion to approve the transfer of a Class F2-10 liquor license from GAAGI 2 Inc. d/b/a Riverside Shop N Go located at 1325 N. Riverside Drive to Jai Umiyama Inc. d/b/a Downtown Food and Liquor upon Council approval and issuance of the State Liquor License.

Mayor Jett reported that he had met with the applicant and all required paperwork including fingerprinting by the McHenry Police Department had been submitted. In addition, the fees have been paid.

Alderman Santi asked the applicant what the store’s operating hours would be. Mr. Patel replied that the store’s hours of operations would be Monday-Thursday/Sunday 9:00 am-8:00 pm, Friday 9:00 am -10:00 pm and Saturday 9:00 am-11:00 pm. However, the hours may be adjusted as needed.

Mayor Jett asked if anyone in attendance had any questions regarding 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 Alderman Santi to approve the transfer of a Class F2-10 liquor license from GAAGI 2 Inc. d/b/a Riverside Shop N Go located at 1325 N. Riverside Drive to Jai Umiyama Inc. d/b/a.
Downtown Food and Liquor upon Council approval and issuance of the State Liquor License.

Motion to adopt an Ordinance amending the FY2018/19 Budget, increasing account 100.22.8300 in the amount of $38,771.24, and authorization to purchase two replacement Police Vehicles and Equipment at a total cost not to exceed $79,001.96.
Chief Birk reported that on October 21st the McHenry Police Department had two marked patrol vehicles damaged beyond repair after being involved in the same motor vehicle accident. He went on to report that Staff has worked to locate replacement vehicles as these vehicles are vital pieces of equipment needed to provide police services. Staff is requesting City Council’s authorization to purchase one vehicle that has been located at Kunes Country Ford in Antioch, and authorization to purchase a second vehicle, if located, not to exceed Illinois Joint Purchasing Contract pricing.

Alderman Glab inquired if some the squads’ equipment was salvageable. Chief Birk reported that some of the equipment may be salvageable.

Alderman Glab asked at the time of the accident how many miles did the totaled vehicles have. Chief Birk reported that each of the vehicles had about 85,000 miles which was lower mileage than some of the other vehicles in the police fleet.

Chief Birk was happy to report that neither of the Officers were injured in the accident.

Mayor Jett asked if anyone in the audience had any comments regarding the matter under consideration. Those in attendance offered no comments.

There being no further discussion on the motion, a Motion was made by Alderwoman Condon and seconded by Alderman Schaefer to adopt an Ordinance amending the FY2018/19 Budget, increasing account 100.22.8300 in the amount of $38,771.24, and authorization to purchase two replacement Police Vehicles and Equipment at a total cost not to exceed $79,001.96. Roll call: Vote: 6-ayes: Alderwoman Condon, Alderman Schaefer, Alderman Santi, Alderman Glab, Alderman Curry and Alderman Devine. 0-nays, 0-abstained. Motion carried.

Motion to adopt an Ordinance amending Chapter 4 of the City of McHenry Municipal Code relating to Alcoholic Liquor.
Chief Birk provided the Council Members with an overview with respect to Ordinance amending the City Municipal Code relating to Alcoholic Liquor and deleting the existing section of the code in its entirety. He noted that Staff had spent a significant amount of time and effort researching and analyzing the Ordinance’s language to ensure that the City’s liquor licensing guidelines are update and clear. If approved Staff will issue new licenses to existing liquor license holders and
provide them with a copy of the new liquor license ordinance. The updated fees would not take effect until the licenses renew in May 2019.

Alderwoman Condon was in favor of the code amendment. In her opinion the new code language made sense.

Alderman Curry expressed his disappointment that there wasn’t more focus on video gaming.

Mayor Jett asked if anyone in the audience had any questions regarding the matter under consideration. Those in attendance offered no comment.

There being no further discussion on the motion, a Motion was made by Alderwoman Condon and seconded by Alderman Schaefer to adopt an Ordinance amending Chapter 4 of the City of McHenry Municipal Code relating to Alcoholic Liquor. Roll call: Vote: 5-ayes: Alderwoman Condon, Alderman Schaefer, Alderman Glab, Alderman Santi, Alderman Devine. 1-nay: Alderman Curry. 0-abstained. Motion carried.

Discussion Only Items.
Attorney McArdle provided the Council Members with an overview of Staff’s recommendation with respect to amending Chapter 14 of the City’s Municipal Code. He noted that the fees and other language in the code has been updated to reflect changes in legislation. There was some discussion on jurisdictional authority. The Ordinance will be placed on an upcoming agenda for Council consideration.

Staff Reports
The Staff Members offered no reports.

Mayor and City Council Comments
Alderwoman Condon wished the community a Happy Thanksgiving.

Executive Session
Motion to enter into Executive Session to discuss Purchase or Lease of Real Property as permitted by 5 ILCS 120 (C) (5) and Potential Litigation as permitted by 5 ILCS 120/2 (c)(5).
Mayor Jett stated at this time he would entertain a motion to enter into executive session to discuss Purchase or Lease of Real Property as permitted by 5 ILCS 120 (C) (5) and Potential Litigation as permitted by 5 ILCS 120/2 (C)(5) with business to follow.
A Motion was made by Alderman Santi and seconded by Alderman Curry to enter into executive session to discuss Purchase or Lease of Real Property as permitted by 5 ILCS 120 (C) (5) and Potential Litigation as permitted by 5 ILCS 120/2 (c)(5) with business to follow. Roll call: Vote: 6-ayes: Alderman Schaefer, Alderman Santi, Alderman Curry, Alderman Glab, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

The Council Members along with Administrator Morefield, Attorney McArdle, Director Lynch, Director Polerecky, Director Martin, Director Schmitt and Deputy Clerk Meadows entered into executive session 8:01 p.m.

Reconvene/Roll Call
The Council Members along with Administrator Morefield, Attorney McArdle, Director Lynch, Director Polerecky, Director, Director Schmitt and Deputy Clerk Meadows returned to the public meeting at 9:00 p.m. A Motion was made by Alderman Santi and seconded by Alderman Curry to reopen the public meeting. Roll call: Vote: 6-ayes: Alderman Schaefer, Alderman Santi, Alderman Glab, Alderman Curry, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

Motion to extend the Amended and Restated Standstill a/k/a Tolling Agreement with Meyer Material Company dated July 10, 2018.
There being no discussion on the motion, a Motion was made by Alderman Curry and seconded by Alderman Santi to extend the Amended and Restated Standstill a/k/a Tolling Agreement with Meyer Material Company dated July 10, 2018. Roll call: Vote: 6-ayes: Alderman Curry, Alderman Santi, Alderman Glab, Alderman Curry, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

Adjournment
There being no further public business to discuss, a Motion was made by Alderman Santi and seconded by Alderman Devine to adjourn from the public meeting at 9:03 p.m. Roll call: Vote:6-ayes: Alderman Santi, Alderman Devine, Alderwoman Condon, Alderman Curry, Alderman Schaefer and Alderman Glab. 0-nays, 0-abstained. Motion carried.

Respectfully submitted,
Debra Meadows

Mayor

Deputy Clerk