City Council Meeting  
December 3, 2018

Call to Order
Mayor Wayne Jett called the regular meeting scheduled for December 3, 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.

Public Hearing: concerning the City of McHenry 2018 Proposed Tax Levy Ordinance in the amount of $4,618,786. Representing a 0% increase above the 2017 Tax Levy extension.

Mayor Jett called the public hearing to order at 7:02 p.m. He asked if anyone in the audience wished to comment on this matter. Those in attendance offered no comments. A Motion was made by Alderman Santi and seconded by Alderwoman Condon to close the public hearing. Roll call: Vote: 7-ayes: Alderman Santi, Alderman Mihevc, Alderman Glab, Alderman Schaefer, Alderman Curry, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

Motion to adopt an Ordinance for the Levy of Taxes for the Year 2018 in the amount of $4,618,786.
Mayor Jett asked if any of the Council Members had any comments on the proposed tax levy ordinance under consideration.

Alderwoman Glab stated that he was proud that the City Council has been able to keep the property tax levy flat for many years.

Alderman Curry thought that it was important to note that even though the City continues to freeze or reduce the City’s portion of the tax bill other factor such the Equalized Assessed Value (EAV) which has increased by 6.8% and other taxing bodies impacts the calculations used to determine the annual property taxes.
Alderwoman Condon commented on the fact that she continues to support keeping the tax levy flat. However, she would encourage future Councils to be cautious and mindful of the continual increases in operational expenses, maintenance costs and the need for infrastructure improvements. Alderwoman Condon noted that she would not want a revenue shortfall to impact the quality of life in the community.

There being no further discussion, a **Motion was made by Alderman Glab and seconded by Alderman Curry to adopt an Ordinance for the Levy of Taxes for the Year 2018 in the amount of $4,618,786 representing a 0% increase above the 2017 Tax Levy extension**. Roll call: Vote: 7-aYES: Alderman Glab, Alderman Curry, Alderman Santi, Alderman Schaefer, Alderman Mihevc, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

**Public Comment**

Mayor Jett asked if anyone in the audience wished to address the Council Members. Those in attendance offered no comments.

**Consent Agenda:**

Motion to Approve the Following Consent Agenda Items:

A. Resolution establishing the 2019 City Council Meeting Schedule;
B. November 26, 2018 City Council Meeting minutes;
C. Payment of Bills in the amount of $76,339.12.

Mayor Jett asked if any of the Council Members wished to remove any items from the consent agenda for separate consideration. The Council Members offered no comments.

There being no further discussion on the motion, a **Motion was made by Alderman Santi and seconded by Alderman Schaefer to approve the consent agenda items A-C as presented**. Roll call: Vote: 7-aYES: Alderman Santi, Alderman Schaefer, Alderman Glab, Alderman Curry, Alderman Mihevc, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

**Individual Action Item Agenda:**

**Motion to adopt Ordinances for the abatement of real estate taxes levied for the 2018 Tax Levy Year for the following bond issues: General Obligation Bonds (Recovery Zone & Build America) Series 2010B, $413,120.00; General Obligation Bonds (Alternate) Series 2010C, $448,440.00; General Obligation Bonds (Alternate) Series 2012, $207,332.50; General Obligation Bonds (Refunding) Series 2013, $36,370.00; and General Obligation Bonds (Refunding) Series 2015, $582,878.76.**

Finance Director Lynch reported that the City of McHenry has issued a variety of bonds backed by the full faith and credit of the municipality. This requires that property taxes be levied by the
County Clerk. However, the City’s intentions are to abate these taxes through the Country Clerk’s Office annually through the abatement ordinances under consideration.

Mayor Jett asked if anyone in the audience wished to 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 Curry and seconded by Alderman Glab to adopt the ordinances for the abatement of real estate taxes levied for the 2018 Tax Levy Year for the following bond issues: General Obligation Bonds (Recovery Zone & Build America) Series 2010B, $413,120.00; General Obligation Bonds (Alternate) Series 2010C, $448,440.00; General Obligation Bonds (Alternate) Series 2012, $207,332.50; General Obligation Bonds (Refunding) Series 2013, $36,370.00; and General Obligation Bonds (Refunding) Series 2015, $582,878.76. Roll call: Vote: 7-ayes: Alderman Curry, Alderman Glab, Alderwoman Condon, Alderman Devine, Alderman Mihevc, Alderman Schaefer and Alderman Santi. 0-nays, 0-abstained. Motion carried.

Discussion Only Items:

Leopardo Companies, Inc. regarding addressing capital infrastructure needs through the implementation of energy efficiency improvements.

Administrator Morefield introduced Leopard’s Principal members who were present to provide the Council Members with a presentation regarding capital creation strategies. Chief Business Officer, Rob Vollrath and V.P. of Engineering, Mr. Drake Wahlers initiated the presentation. They began by thanking Staff for their efforts in gathering all the data required for them to draft a scope of work regarding energy and operational cost saving strategies.

Mr. Vollrath and Mr. Wahlers continued on to discuss a portion of the proposal regarding interior and exterior building lighting, including park lighting fixtures. They noted that LEDs have the potential of reducing lighting energy cost by 40-50%. In addition, the LED lighting fixtures reduce maintenance cost as their lifespan is twenty years and there is no need for reflectors and diffusers.

They went on to note that one of the more critical needs is to address the older HVAC equipment throughout the City. They noted that multiple systems are near the end of their useful lifecycle and should be replaced with higher efficiency equipment which also requires less maintenance.

Mr. Wahlers commented on the City’s current salt bin status. He noted that the road salt is currently being stored uncovered on a concrete pad at the Wastewater Treatment Plant site. He reported that Leopardo recommends building a new salt dome at the Public Works facility by relocating the new dome to Public Works to increase convenience and efficiency.
Mr. Vollrath discussed the City’s existing fleet conditions. He reported that the City owns and maintains a fleet of 107 vehicles ranging in age from 1 to 24 years from a variety of manufacturers, of which 52 vehicles are over 10 years old.

Over the last 6 years only 31.6% requests for new vehicles by all the departments combined have been approved. Mr. Vollrath continued on to discuss vehicle replacement costs which in total would be estimated at a cost $6,719,410. Mr. Vollrath reported that Leopardo recommends the City implement a fleet management program to include vehicle leasing. He noted that the features of the open-ended leasing product are characterized by:

- Improved cash flow
- No mileage restrictions or wear and tear charges
- Flexible financing options
- Flexibility of ownership
- Customized terms for use and type of vehicle
- Retention of ownership rights
- Aftermarket can be included in lease
- Vehicles delivered “road ready”
- Initial registration and annual license renewal can be included

Leopardo Principals finished their presentation with a discussion regarding entering into a solar power purchase agreement. They reported that a power purchase agreement is a financial agreement in which a third-party developer provides design, permitting, and installation of a solar array on City own property. Through this agreement, the City purchases the electricity from the developer while the developer operates and maintains the array. These agreements typically last between 10 and 25 years. Upon expiration of the agreement, the City owns the solar array. This arrangement will yield a utility savings of $121,531 per year with an additional $20,000 of revenue through the lease of the property.

Alderwoman Condon noted that Council recently had another solar power presentation in which the agreement’s term would have been 35 years.

Alderman Curry reported that he prefers this proposed site over the previous solar site.

There was some discussion on the proposal. Staff identified that additional information regarding the fleet management program would be gathered and Council Members concurred that a Letter of Intent will be placed on a future agenda for Council consideration.

Solicitation of proposals for the redevelopment of the Central Wastewater Treatment Plant (CWWTP) site.

Administrator Morefield reported that as Council is aware the Central Wastewater Treatment
Plan has been decommissioned and at the end of this calendar year the site is available for redevelopment. The City received a formal appraisal from Harrison & Associates, Inc. which identifies, with certain assumptions, a land value of $1,268,000 and a boat launch/slip value of $223,000. The demolition cost of the site is estimated between $1.5 and $2 million.

Alderman Curry questioned if the demolition estimate was accurate. Administrator Morefield stated that Staff would verify the estimate and report back.

Alderman Santi commented on the section of the appraisal referencing Waukegan Road. He noted that Waukegan Road is reportedly a private road which is used to access D’s Marine and the wastewater plant components of the subject property. Director Martin reported that Waukegan Road is subject to a prescriptive easement for continued use as an access road for all properties that front on it.

Alderman Glab noted that originally when the Council Members chose not to rebuild the WWTP on the site, preliminary plans were drafted depicting potential public and private uses. He recommended that Staff present the original preliminary site plan to the full Council.

There was some discussion with respect to the revenue that is generated by the boat slip rentals. Alderman Glab asked Staff to report back on the annual average boat slip revenue and any annual property tax incurred.

Alderman Condon also recalled previous reviewing preliminary site plans depicting potential uses of the property. She recommended staff dust-off the original preliminary plans for Council’s review.

Administrator Morefield noted that the said property is zoned C-4 which allows the ability to be creative when drafting land use plans.

With the gathering of additional information as identified, this matter along with a Request-for-Proposal (RFP) and a Request-for-Qualifications (RFQ) will be placed on an upcoming Council agenda.

**Executive Session:**

**Motion to enter into Executive Session to conduct the Semi-Annual Review of Executive Session minutes as permitted by 5 ILCS 120/2 (C) (21).**

Mayor Jett stated at this time he would entertain a motion to enter into executive session to discuss approval and release of executive session minutes as permitted by 5 ILCS 120 (C) (21) with action to follow.
A Motion was made by Alderman Schaefer and seconded by Alderman Devine to enter into executive session to conduct the semi-annual review of executive session minutes as permitted by 5 ILCS 120 (C) (21) with action to follow. Roll call: Vote: 7-ayes: Alderman Schaefer, Alderman Santi, Alderman Curry, Alderman Glab, Alderman Mihevc, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

The Council Members along with Administrator Morefield, Attorney McArdle, Director Hobson and Deputy Clerk Meadows entered into executive session 8:25 p.m.

Reconvene/Roll Call:

The Council Members along with Administrator Morefield, Attorney McArdle, Director Hobson and Deputy Clerk Meadows returned to the public meeting at 8:31 pm. A Motion was made by Alderman Santi and seconded by Alderman Devine to reopen the public meeting. Roll call: Vote: 7-ayes: Alderman Schaefer, Alderman Santi, Alderman Glab, Alderman Curry, Alderman Mihevc, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

Motion to pass a Resolution a) approving Executive Session meeting minutes as presented; b) authorizing the release of Executive Session meeting minutes as presented; and, c) destruction of any Executive Session recordings that exist more than 18 months and for which the minutes of that meeting have been approved.

There was some discussion regarding the retention dates of the executive session recordings. Staff will investigate this matter and report back. A Motion was made by Alderman Curry and seconded by Alderman Glab to table this matter until the December 17th City Council meeting. Roll call: Vote: 7-ayes: Alderman Curry, Alderman Glab, Alderman Santi, Alderman Schaefer, Alderman Mihevc, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

Staff Reports:

Director Hobson provided the Council Member with an update on the 2019 Shamrocks the Fox event. Administrator Morefield noted that this year Staff had partnered with various community organizations to coordinate all major special events.

Mayor and City Council Comments:

Mayor Jett announced that Hub Market is scheduled to open this upcoming weekend all those involved are very excited.
Alderman Condon reported that the Community Development Committee is scheduled to meet on Monday, December 10th at 7:00 pm here in the Council Chambers.

Alderman Curry reported that the Finance and Personnel Committee has drafted a recommendation with respect to additional revenue sources.

Adjournment:

There being no further public business to discuss, **a Motion was made by Alderman Santi and seconded by Alderman Schaefer to adjourn from the public meeting at 8:38 p.m.** Roll call: Vote: 7-ayes: Alderman Santi, Alderman Schaefer, Alderman Glab, Alderman Curry, Alderman Mihevc, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

Respectfully submitted,

Debra Meadows

[Signatures]

Mayor

Deputy Clerk