Call to Order
Mayor Wayne Jett called the regular scheduled McHenry City Council meeting for January 21, 2019 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 Comment
Mayor Jett asked if those in attendance had any comments they wished to share with the Council Members. McHenry County Highway Commissioner, James Condon approached the podium. He stated that he along with the Orchard Beach Subdivision Association President Mr. Paul Dreyke were in attendance to answer any questions the Council Members may have regarding consent agenda item 5.D.Mayor Jett thanked both of the representatives for attending the meeting and offering their input on this matter.

Administrator Morefield reported that the City for the fourth consecutive year has been awarded the Government Finance Officer Association’s Certificate of Achievement for Excellence in Financial Reporting. He continued on to report that the GFOA is an independent review board that assessed the City’s accounting and budgeting processes for transparency and compliance with industry standards. Only a small percentage of communities in the Country receive this award.

Administrator Morefield commented on the fact that it is not only the City that is bestowed this distinguished award also acknowledged is the Finance Director overseeing the accounting and budgeting processes. He proceeded to presented Finance Director Lynch with a personalized GFOA certificate and thanked Finance Director Lynch for her dedicated service. Those in attendance applauded both the City and Finance Director Lynch’s accomplishments. Finance Director Lynch thanked the Council Members and those in attendance for the
acknowledgement.

Consent Agenda:

Motion to Approve the Following Consent Agenda Items:

A. Appointment of Police Pension Board Trustee;
B. Resolution in support of a Metra Capital Bill;
C. 2019 Green Street Cruise Night Date Requests;
D. Authorization of Mayor’s Execution of a Letter of Intent between the City of McHenry, McHenry County Division of Transportation, and McHenry Township for the Orchard Beach Road Improvements;
E. Approval of the Intergovernmental Snow Plow Agreements between the City of McHenry, McHenry Township and Nunda Township;
F. Authorization for the Mayor’s execution of a Termination Agreement between the City of McHenry and the McHenry Township Fire Protection District and an amended Intergovernmental Agreement with the City of Woodstock, City of Harvard, and McHenry Township Fire Protection District related to the NERCOM Dispatch Center Partnership;
G. Change Order (Authorization #1) with Copenhaver Construction Inc. for the Green Street Bridge Rehabilitation in the amount of $25,686.77;
H. Acceptance of a proposal for Engineering Design of the Home/Ramble Road Improvements in the amount of $34,955.00;
I. Motion to approve an Ordinance authorizing the Disposal of Surplus Property owned by the City of McHenry – Police Department items and Public Works vehicle;
J. Motion to approve an Ordinance authorizing the Disposal of Surplus Property – Office furniture;
K. December 17, 2018 City Council Meeting Minutes;
L. Issuance of Checks in the amount of $1,010,501.45; and
M. As Needed Checks in the amount of $334,202.49

Mayor Jett asked the Council Members if there were any items listed on the consent agenda they wished to remove for separate consideration. Alderman Curry reported that he wished to remove items 5D-5F for separate consideration. Alderman Glab stated that he also wished to discuss item 5D.

A Motion was made by Alderman Curry and seconded by Alderman Santi to approve consent agenda items 5A-5C and items 5G-5M. 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.

Alderman Curry thanked Chief Birk for amending the Ordinance with respect to disposal of surplus property to allow for the donation of children’s clothing to a not-for-profit organization (Home of the Sparrow) to benefit McHenry area children in need.
Alderwoman Condon reported that she will be abstaining from the vote with respect to agenda items 5D and 5E due to the fact that her husband Mr. James Condon is the Township Highway Commissioner.

**Items removed from the consent agenda**

Authorization of Mayor’s Execution of a Letter of Intent between the City of McHenry, McHenry County Division of Transportation, and McHenry Township for the Orchard Beach Road Improvements.

Alderman Curry expressed his concerns with the Letter of Intent regarding Orchard Beach Road improvements. He noted that it was his understanding Orchard Beach Road is a designated private roadway and not located within the City limits. He was uncertain why the City would fund a portion of a “Nondedicated Subdivision Road Construction Program” under these circumstances.

Commissioner Condon discussed the Division of Transportation’s goal was to reconstruct Orchard Beach Road by partnering with the various agencies and combine engineering and construction efforts to take advantage of frugalities resulting in one project to benefit the public.

Attorney Mc Ardle commented on the fact that arguments can be made either way depending on what definition of a Highway one selects. A lengthy discussion ensued and the Council Members concurred to table this matter until more information could be gathered. **A Motion was made by Alderman Curry and seconded by Alderman Santi to table the Authorization of Mayor’s Execution of a Letter of Intent between the City of McHenry, McHenry County Division of Transportation, and McHenry Township for the Orchard Beach Road Improvements until more Information could be obtained.** Roll call: Vote: 7-ayes: Alderman Curry, Alderman Santi, Alderman Glab, Alderman Schaefer, Alderman Milhevc, Alderman Devine and Alderwoman Condon. 0-nays, 0-abstained. Motion carried.

Approval of the Intergovernmental Snow Plow Agreements between the City of McHenry, McHenry Township and Nunda Township.

Mayor Jett asked if the Council Members had any discussion on this matter which had been unanimously recommended by the Public Works Committee at their December 11, 2018 Committee meeting. The Council Members offered no comments.

Mayor Jett asked if those in attendance had any comments on the matter under consideration. Those in attendance offered no comments.
A Motion was made by Alderman Santi and seconded by Alderman Mihevc to approve the Intergovernmental Snow Plow Agreements between the City of McHenry, McHenry Township and Nunda Township. Roll call: Vote: 6-ayes: Alderman Santi, Alderman Mihevc, Alderman Devine, Alderman Curry, Alderman Schaefer and Alderman Glab. 0-nays, 1-abstained: Alderwoman Condon. Motion carried.

Authorization for the Mayor’s execution of a Termination Agreement between the City of McHenry and the McHenry Township Fire Protection District and an amended Intergovernmental Agreement with the City of Woodstock, City of Harvard, and McHenry Township Fire Protection District related to the NERCOM Dispatch Center Partnership. Chief Birk reported that police staff has been reviewing all existing agreements as they relate to the dispatch center. He noted that by terminating two existing agreements with the McHenry Township Fire Protection District and revising the NERCON Dispatch agreement the City is able to more efficiently and effectively manage the dispatch center without effecting the City’s cost obligations.

Mayor Jett asked if the Council Members had any comments on this matter. The Council Members offered no comments. Mayor Jett asked if those in attendance had any comments on the matter under consideration. Those in attendance offered no comments.

A Motion was made by Alderwoman Condon and seconded by Alderman Schaefer to Authorize the Mayor to execute the Termination Agreement between the City of McHenry and the McHenry Township Fire Protection District and an amended Intergovernmental Agreement with the City of Woodstock, City of Harvard, and McHenry Township Fire Protection District related to the NERCOM Dispatch Center Partnership. Roll call: Vote: 7-ayes: Alderwoman Condon, Alderman Schaefer, Alderman Glab, Alderman Santi, Alderman Curry, Alderman Devine and Alderman Mihevc. 0-nays, 0-abstained. Motion carried.

Individual Action Item Agenda:

Motion to approve the transfer of a Class A Liquor License for Smith’s Central Garage, from Anthem Real Estate d/b/a Smith’s Central Garage to Harts Events LLC d/b/a Smith’s Central Garage, with Catering Endorsement.

Administrator Morefield reported that recently Mr. Dan Hart owner of DC Cobbs has leased the Smith’s Central Garage banquet facility located at 3315 Pearl Street, and has submitted an application for the transfer of the existing Class A liquor license from the current holder, Anthem Real Estate d/b/a Smith’s Central Garage to Hart Event LLC still doing business as Smith’s Central Garage, with the addition of a catering endorsement. He went on to report that all paperwork has been submitted and the $250 transfer fee has been paid. In addition, he has satisfactorily completed fingerprinting by McHenry Police Department and is BASSET certified, and conversant with the State of Illinois liquor control laws.
Alderman Glab inquired if the facility has obtained approval for the outdoor patio seating area and allow to have live entertainment. Director Marin replied yes.

Alderman Glab questioned the height of the fence located on the property in question. Director Martin believed the height of the fence was required to be approved by Staff prior to the installation.

Alderman Santi asked if the establishment will have an industrial kitchen. Director Polerecky reported that he did not believe they will be installing an industrial kitchen. However, the kitchen would have to be approved by the City.

Alderwoman Condon asked if they will be allowing catering from other sources other than DC Cobbs. Staff responded yes.

Mayor Jett asked those in attendance if they had any comments on the matter under consideration. Those in attendance offered no comments.

**A Motion was made Alderman Santi and seconded by Alderwoman Condon to approve the transfer of a Class A Liquor License for Smith’s Central Garage, from Anthem Real Estate d/b/a Smith’s Central Garage to Harts Events LLC d/b/a Smith’s Central Garage, with a Catering Endorsement.** Roll call: Vote: 7-ayes: Alderman Santi, Alderwoman Condon, Alderman Devine, Alderman Curry, Alderman Schaefer, Alderman Glab and Alderman Mihevc. 0-nays, 0-abstained. Motion carried.

**Motion to approve an Ordinance granting a Conditional Use Permit for an assembly use for the Youth and Family Center of McHenry County at 3430 Elm Street.**
Director Martin reported that the Council is being asked to consider a Conditional Use Permit to allow an assembly use at 3430 W Elm. He noted that assembly uses are conditional uses in all commercial zoning districts.

Director Martin discussed a petition filed by the Youth and Family Center of McHenry County, formerly Garden Quarter Neighborhood Resource Center, which was located in the Garden Quarter Apartment Complex and opened in 2004. The Youth and Family Center then relocated to the Century Plaza Shopping Center on Elm Street. However, they quickly grew out of that space and now operates out of a facility located at 3430 W Elm, immediately east of Green Street and on the north side of Elm. He continued on to report that the Youth and Family Center serves numerous youth from McHenry County all-year round with a variety of programming needs. In addition, recently the Planning and Zoning Commission unanimously recommended approval of the petition request. Director Martin reported that he would be pleased to answer any questions the Council Members may have at this time.

Alderman Schaefer stated the only concern he had would be parking during their Thursday night events especially in the summer months. Director Martin stated this concern was discussed
during the Planning and Zoning Commission hearings and the Youth and Family Center representatives reported that they will change some of the event dates and times to resolve parking concerns.

Mayor Jett asked if anyone in attendance had any questions or comments 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 Alderman Curry to approve an Ordinance granting a Conditional Use Permit for an assembly use for the Youth and Family Center of McHenry County at 3430 W Elm Street. Roll call: Vote: 7-ayes: Alderman Schaefer, Alderman Curry, Alderman Santi, Alderman Glab, Alderman Mihevc, Alderman Devine and Alderman Condon. 0-nays, 0-abstained. Motion carried.

Motion to deny a Zoning Map Amendment to RM-2 Zoning, granting a Variance from the Off-Street Parking and Loading Requirement, and a Use Variance to allow commercial land uses for the property located at 414 South Crystal Lake Road.
Staff reported that the petitioner has since withdrawn their application. There was no action taken.

Motion to approve an Ordinance amending Chapter 23 “Taxation” Article IV “Home Rule Municipal Retailer’s Occupation Tax and “Municipal Home Rule Service Occupation Tax” of the City of McHenry’s Municipal Code.

Motion to approve an Ordinance amending Chapter 23 Article VI “Simplified Municipal Telecommunications Tax” of the City of McHenry’s Municipal Code.
Finance Director Lynch provided the Council Members with an overview of the Finance & Personnel Committee’s recommendation to increase the Local Sale Tax by 0.25% (for a total of 0.75%) and to increase the Telecommunication Tax by 2% (for a total of 3%). She noted that her agenda supplement provides information for both of these items under consideration. However, the Ordinances are listed separately on the agenda to allow for individual action. Attorney McArdle reported that if the Council Members concurred with both actions the Council could then simply make one motion.

Alderman Glab thanked the Finance & Personnel Committee Members and Staff for investigating alternative revenue sources. He recalled a recent statement made by Alderwoman Condon reminding the Council Members that although the Council was not in favor of increasing property taxes the City’s operating and maintenance costs continue to rise. In his opinion, the recommendation by the Finance & Personnel Committee to increase these two tax based revenue streams will aid in providing additional revenue to meet the rising cost with respect to City operations. Alderwoman Condon concurred with Alderman Glab’s comments.
Alderman Curry noted that the increase in retailer’s occupation and service occupation taxes will impact anyone purchasing goods and services in the City and is a fairer way of increasing the City’s revenue.

There was some discussion on the increase in the Telecommunication Tax. Director Lynch reported that this tax increase from her understanding applied to landlines.

Alderman Schaefer inquired on when the new tax rate would go in to effect. Director Lynch replied July of 2019.

Mayor Jett asked if anyone in attendance 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 Alderwoman Condon to approve both Ordinances amending Chapter 23 “Taxation” Article IV and VI increasing the “Home Rule Municipal Retailer’s Occupation Tax and the “Municipal Home Rule Service Occupation Tax along with the “Simplified Municipal Telecommunications Tax” as presented. Roll call: Vote: 7-ayes: Alderman Curry, Alderwoman Condon, Alderman Devine, Alderman Mihevc, Alderman Schaefer, Alderman Glab and Alderman Santi.0-nays, 0-abstained. Motion carried.

Motion to approve a Supplemental Phase III Engineering Service Agreement with BLA, Inc. for Pearl Street/Lincoln Road construction engineering services in the amount of $28,890.00. Engineer Strange commented on the request to consider a supplemental phase III engineering service agreement for the Pearl Street and Lincoln Road construction engineering services with BLA, Inc. in the amount of $28,890.00. This change order will bring the total contract amount to $239,655.41, which remains well within the original budget appropriation amount.

Mayor Jett asked if the Council Members had any questions or comments with respect to this matter. The Council Members offered no comments.

Mayor Jett asked if anyone in attendance had any questions or comments regarding this matter. Those in attendance offered no comments.

There being no further discussion on this matter, a Motion was made by Alderman Santi and seconded by Alderman Schaefer to approve a Supplemental Phase III Engineering Service Agreement with BLA, Inc. for Pearl Street/Lincoln Road construction engineering services in the amount of $28,890.00. Roll call: Vote: 7-ayes: Alderman Santi, Alderman Schaefer, Alderman Mihevc, Alderman Devine, Alderwoman Condon, Alderman Glab and Alderman Curry. 0-nays, 0-abstained. Motion carried.
Discussion Only Items:

Discussion of FY19/20 through FY23/24 Capital Improvement Program
Administrator Morefield provided the Council Members with an overview of the five year Capital Improvement Program. In addition, to an overview of the ten year Water/Sewer Capital Improvement Program. He continued on to discuss the purpose of the program and the need to review and update the departments’ recommendations and requests annually. He noted that it is not financially realistic or possible to fund all the projects identified in the five year planning period.

Administrator Morefield provided the Council Members with an overview of the Capital Improvement Program process. He reported that in October of each year he requests all Directors and their Staff to list, describe and prioritizes capital projects relative to their respective departments. The projects are then reviewed and adopted into a planning document to be used in the annual budget process.

Administrator Morefield discussed all the various City fund accounts along with their current and projected fund balances. He concluded his presentation with a discussion regarding the Enterprise Fund. He recommended Council and Staff continue to review water and sewer rates and base charges annually to ensure appropriate funding is available for both operating and future capital projects. In addition, he noted that currently there is no tax increment with respect to the Downtown TIF District so there are no projects recommended for Fiscal Year 19/20.

Alderman Curry commented on the fact that he noticed there were no vehicle replacement requests from any of the departments. Administrator Morefield reported that Staff prioritized their requests and each of the respective Departments recognized the fact that other equipment and Capital Improvement Projects took priority over the Vehicle Replacement Program this upcoming Fiscal Year.

Alderman Curry complimented Administrator Morefield on his PowerPoint and the CIP document. He noted that the presentation improves each and every year. Administrator Morefield thanked Alderman Curry for his kind words. He noted that the information and presentation is a collective effort between him and Staff.

Executive Session:
There were no matters to discuss in an executive session.

Staff Reports:
The Staff Members offered no reports.
Mayor and City Council Comments:
Mayor Jett reported that the State of the City will be held on Wednesday, February 27th the time has yet to be announced. He invited Alderwoman Condon and Alderman Curry to attend and if anyone else is interested in attending to inform Deputy Clerk Meadows.

Adjournment:
There being no further public business to discuss, a Motion was made by Alderman Santi and seconded by Alderwoman Condon to adjourn from the public meeting at 8:50 p.m. Roll call:

Respectfully submitted,
Debra Meadows

Mayor

Deputy Clerk