

**MINUTES
CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, AUGUST 20, 2018**

1. Call to Order

Vice Chairman Turner called the meeting to order at

2. Roll Call

Present: Vice Chairman Turner, Stellato, Silkaitis, Payleitner, Lemke, Gaugel, Vitek, Bessner, and Lewis

Absent: Ald. Bessner

3. Administrative - None

4. Omnibus Vote

Items with an asterisk (*) are considered to be routine matters and will be enacted by one motion. There will be no separate discussion on these items unless a council member/citizen so requests, in which event the item will be removed from the consent agenda and considered in normal sequence on the agenda.

Motion by Ald. Silkaitis, second by Gaugel to approve the omnibus vote.

Voice Vote: Ayes: Unanimous; Nays: None. Vice-Chair Turner did not vote as Vice-Chair. **Motion Carried**

5. Police Department

a. Recommendation to approve a Proposal for an E7 Special Event Liquor License for Blue Goose Super Market, Inc., Located at 300 S 2nd Street, St. Charles for September 16, 2018. (Fox Valley Marathon – Blue Goose Beer Tent)

Chief Keegan: This item advanced from the Liquor Control Commission this evening with a 3-0 vote. It's for an E7 special event permit to coincide with the Fox Valley Marathon. Blue Goose would like to do a tent on the east end of their property. The site plan is in your packet. It will take place on September 16, and the hours of operation are 7:00 am – 7:00 pm. Paul would like to serve some food. We went over credentialing and some of the tent particulars at the Liquor Commission meeting.

Ald. Lewis: I think it's a great idea, but do you think you'll go until 7:00pm?

Paul Lencioni: This is the first time we're doing this. I would be surprised if it goes past 5:00 pm. I don't know what it looks like and I'd like the opportunity to see. We will not let it continue outrageously late. I want to make sure we produce a phenomenal event that takes care of the runners and their families.

Ald. Lewis: I think its fine what you're trying to do. If you don't know, you don't know. I'm having a little trouble with 7:00 pm on Sunday night.

Paul Lencioni: There will be more information next year when we do it again.

Ald. Payleitner: There were no details at all for us. I'm glad to hear the Liquor Commission heard everything. Anything you can tell us to fill us in? I guess there is food? There's a tent?

Paul Lencioni: There will be wristbands, single entrance from the front. We will be serving normal fare from the Blue Goose with things we sell out of the deli. There will also be vendors who are often in the Blue Goose. It's a way to bring members of the community to one spot and make a better viewing and post-race experience. Before this year the race gave people a ticket to go for a free beer. We're still trying to figure out the exact details if it will be Miller or Corona as sponsors. It's really intended to be a family environment and a community event.

Ald. Payleitner: What is the call for 7:00 am beer and brats for marathon families and runners?

Paul Lencioni: I don't know that either. I am taking a lot of guidance from people who are marathoners. As soon as the race is over every person there has a coupon for a free beer, that's part of it. There is going to be a learning curve. There will be nothing there until 9:00 am.

Mayor Rogina: The race starts at 7:00 am. Ald. Vitek and I are both participating. What happens at the marathon when you start the race, people are standing around for a long time at the Blue Goose. It's a good spot to provide an opportunity, even at an early time of the morning, to have a sandwich and whatever else.

Ald. Lewis: Will they be able to use the free beer ticket at you're place as well?

Paul Lencioni: They will need to run first, but yes, it's for use at the Blue Goose.

Ald. Payleiter: I was just wondering if there was a big demand at 7:00 am.

Paul Lencioni: I think no. I'm following the guidance of the race folks. Really, I'm trying to be the best partner I can.

Motion by Ald. Lemke, second by Vitek to Recommend approval of a Proposal for an E7 Special Event Liquor License for Blue Goose Super Market, Inc., Located at 300 S 2nd Street, St. Charles for September 16, 2018. (Fox Valley Marathon – Blue Goose Beer Tent)

Roll Call: Ayes: Gaugel, Vitek, Bessner, Lewis, Stellato, Silkaitis, Payleitner, Lemke; Nays: None. Vice-Chair Turner did not vote as Vice-Chair. **Motion Carried.**

b. Recommendation to approve a Proposal for a Class A6 Liquor License for Deepa Foods, Inc., d/b/a 7-Eleven located at 2400 E. Main St. Charles.

Chief Keegan: Praveen Goud owner operator is a new franchise. He also runs a 7-Eleven in Schaumburg. This is a new concept in St. Charles, about 9 months now, an A6 license allowing packaged goods in mini marts and convenience stores so long as that space doesn't encroach on more than 10% of the floor space. We have 6 licenses

without any issues. This advanced from Liquor Commission with a 3-0 vote. The hours of operations are 7:00 am – 10:00 pm, Monday – Sunday.

Ald. Payleitner: I went through the packet items, and there wasn't a current lease.

Chief Keegan: That was the document that was provided to us by the applicant. As far as the operation what we look at based on alcohol delivery, floor plan, business plan that was the document we were provided. Maybe the applicant can respond to that.

Praveen Goud: That's the previous lease agreement that will be applied to us.

Ald. Payleitner: At the very end, someplace you are in there?

Praveen Goud: Yes.

Motion by Ald. Gaugel, second by Bessner to Recommend a Proposal for a Class A6 Liquor License for Deepa Foods, Inc., d/b/a 7-Eleven located at 2400 E. Main St. Charles.

Roll Call: Ayes: Gaugel, Vitek, Bessner, Stellato, Silkaitis, Payleitner, Lemke; Nays: Lewis. Vice-Chair Turner did not vote as Vice-Chair. **Motion Carried.**

c. Recommendation to approve a Proposal for an A4 Liquor License for Riverlands Brewing Company, LLC located at 1860 Dean Street, Unit A, St. Charles.

Chief Keegan: This is going to be our fourth brewery, we had our first open on Thursday, D&G on N 4th Street. The Home Brew is open for business, they are still waiting for their state license. That's going to be a wine distillery. Then of course Octane 93 on Lincoln Highway. For this concept they have been working with me and community development for the better part of a year. They submitted a thorough business plan. They want to do 10 barrels. It's much larger in scope than the three I just mentioned.

Eric Bramwell: I'm the head brewer for Riverlands Brewing Company. We're looking to get started here in St. Charles. The model we're following is Penrose Brewing in Batavia. Tap rooms like this where you can go to the brewery and sample the beer on site is booming in popularity. There are 10 barrels or 310 gallons that's the size of each.

Ald. Payleitner: Will you have gathering space for private events?

Eric Bramwell: We've talked about it, it could happen eventually if we're able to expand. It's on our short list.

Ald. Lewis: You can have food?

Eric Bramwell: It's going to be bring your own food. We have a few local businesses interested in working with us for carry-out.

Motion by Ald. Stellato, second by Bessner to Recommend for approval a Proposal for an A4 Liquor License for Riverlands Brewing Company, LLC located at 1860 Dean Street, Unit A, St. Charles.

Roll Call: Ayes: Gaugel, Vitek, Bessner, Lewis, Stellato, Silkaitis, Payleitner, Lemke; Nays: None. Vice-Chair Turner did not vote as Vice-Chair. **Motion Carried.**

6. City Administrator

- a. Presentation of an agreement between the City of St. Charles and the City of South Elgin related to Sales Tax Distribution.

Mark Koenen: As you know retailers pay sales tax to the State of Illinois and its redistributed back to the municipality in which the physical structure of the business is located. In this case there was a retailer in St. Charles that moved to South Elgin. During the process the retailer did not report to the State of Illinois their new location and the City of St. Charles continued to collect sales tax. The Village of South Elgin, through an audit process, discovered this and approached the Mayor and me. From my perspective we have an obligation to return that money, we essentially borrowed it for a period of time, and they have asked for reimbursement. Over \$60,000 has already been reimbursed to South Elgin through the State of Illinois. The Illinois Department of Revenue, when they understood the fact pattern, automatically took the most recent 3 months of revenues and transferred the money back to the party it should have gone to. South Elgin has asked that we reimburse the balance over a period of 5 years, with an equal payment each year, a value of \$113,000 each of the 5 years. It would be an obligation we would choose to accept through your action. I would encourage you to do that. If you have any questions or comments about the request, the situation, or my guidance in terms of how we can manage the situation.

Ald. Gaugel: It's the right thing to do, no question. Do we have safe guards to prevent this from happening again, in either direction, us collecting when we shouldn't be, or not collecting when we should? What measures are we taking to prevent this?

Mark Koenen: That's one of the things we as a staff have been discussing over the last couple months. We've been very conscious of when new businesses come to St. Charles to confirm we are receiving sales tax on the new business applications. We did not have a system in place to look at those who have left St. Charles. We get information from the State of Illinois and reimbursement every 4 months. We also don't have a comprehensive means to understand who's coming to St. Charles as a new business and if they pay sales tax to the State of Illinois. We hear about it through business openings that the Chamber might host, new accounts that come to the St. Charles, and through other people in the community. We keep a running list through the Community Development Department and through Information Systems. We have a system in place for information regarding new businesses, but we don't have one in place to deal with those businesses that leave St. Charles and that's what we're working on now. We're trying to improve on the process, and one thing that would help improve the process would be to consider a business license in the City of St. Charles. That could be used as a safeguard.

Ald. Payleitner: It took six years to accumulate, I appreciate the efforts being made to make it 6 years to pay it back. That seems more than fair, and the fact that it was a State

mistake is mentioned 5 times.

Mark Koenen: I think the Village of South Elgin wanted to make that perfectly clear to their residents.

Ald. Lewis: If we don't have this in place, how do we forecast what our sales tax is going to be?

Mark Koenen: We use history as a tool in forecasting. For example a car dealership, we would look up the past records and make an accommodation for that. Just as we made accommodations when the economy was soft, we were very careful with how we projected our income stream.

Chris Minick: For many of our high volume sales tax generators, we actually do track the data from the State and put together trend information.

Motion by Ald. Stellato, second by Gaugel to recommend approval of an agreement between the City of St. Charles and the City of South Elgin related to Sales Tax Distribution.

Roll Call: Ayes: Gaugel, Vitek, Bessner, Lewis, Stellato, Silkaitis, Payleitner, Lemke; Nays: None. Vice-Chair Turner did not vote as Vice-Chair. **Motion Carried.**

7. Finance

*a. Budget Revisions – April, 2018

Motion by Ald. Lemke, second by Bessner to move into executive session to discuss collective bargaining as permitted by 5 ILCS 120/2(c)(2).

Roll Call: Ayes: Gaugel, Vitek, Bessner, Lewis, Stellato, Silkaitis, Payleitner, Lemke Turner; Nays: None. Vice-Chair Turner did not vote as Vice-Chair.

Motion Carried.

8. Executive Session

- Personnel – 5 ILCS 120/2(c)(1)
- Pending Litigation – 5 ILCS 120/2(c)(11)
- Probable or Imminent Litigation – 5 ILCS 120/2(c)(11)
- Property Acquisition – 5 ILCS 120/2(c)(5)
- Collective Bargaining – 5 ILCS 120/2(c)(2)
- Review of Executive Session Minutes – 5 ILCS 120/2(c)(21)

Motion by Ald. Lemke, second by Vitek to exit executive session at 8:34 pm.

Voice Vote: Ayes: Unanimous; Nays: None. Vice-Chair Turner did not vote as Vice-Chair. **Motion Carried**

9. Additional Items from Mayor, Council, Staff, or Citizens.

10. Adjournment

Motion by Ald. Lemke, second by Turner to adjourn the meeting at 8:35 pm.

Voice Vote: Ayes: Unanimous; Nays: None. Vice-Chair Turner did not vote as Vice-Chair. **Motion Carried**

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