

**MINUTES
CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
TUESDAY, SEPTEMBER 3, 2019**

1. Call to Order

The meeting was called to order by Chairman Lewis at 7:10 pm.

2. Roll Call

Present: Bessner, Stellato, Silkaitis, Payleitner, Lemke, Turner, Vitek, Pietryla

Absent: Bancroft

3. Omnibus Vote - None

4. Police Department

- a. **Recommendation to approve a Proposal for a B1 Liquor License Application, along with a 1 a.m. Late Night Permit, for Da Hood & Co., dba Glory City Located at 11 N. 3rd St., St. Charles.**

Chief Keegan noted that this item is to approve a B1 liquor license application and a 1:00 am late night permit. This appeared at the Liquor Control Commission meeting on August 19, 2019 and was tabled due to the application being incomplete and their dba had changed from Da Hood to Glory City. The Chief made recommendations to have some additional provisions at midnight and not to allow the originally requested 2:00 am late night permit. The background investigation was conducted, and they have returned with all the information requested. A discussion was had with the Geneva Police Department and there were some concerns raised at the Liquor Commission meeting.

Ald. Payleitner indicated that she has some reservations with the application and an issue with the company name Da Hood, Inc. She asked Mr. Villanueva to explain the thought behind the name? She mentioned that she would like the businesses in St. Charles to represent the City's message.

Miguel Villanueva said that Da Hood is the corporation name, and Del Bario, their restaurant in Geneva, the Spanish translation of Del Bario is Da Hood. That is why they were originally going with that name. They changed the name to Glory City because his mom's name was Gloria.

Motion by Ald. Turner, second by Ald. Vitek to recommend the approval of a Proposal for a B1 Liquor License Application, along with a 1 a.m. late Night Permit, for Da Hood & Co., dba Glory City Located at 11 N. 3rd St., St. Charles.

Roll Call: Ayes: Bessner, Stellato, Silkaitis, Lemke, Turner, Vitek, Pietryla; Nays: Payleitner; Absent: Bancroft. **Motion Carried.**

5. Information Systems

- a. Recommendation to approve the Utility Billing Software Support and Development Agreement Extension with Respect Technology, Inc.

This item is to request an extension of an existing agreement with Respect Technology. The City's Utility Billing Application is not covered under vendor support. Respect Technology has been providing support since October, 2016. City staff is starting a project to identify a replacement for the Utility Billing Application, but until that's done, third party support will be required.

Motion by Ald. Lemke, second by Ald. Bessner to recommend the approval of the Utility Billing Software Support and Development Agreement with Respect Technology, Inc.

Voice Vote: Ayes: Unanimous; Nays: None; Chairman Lewis did not vote as chair. **Motion Carried**

6. Finance Department

- a. Recommendation to Approve an Ordinance Amending Title 3, Chapter 3.60 of the Municipal Code Imposing a Municipal Cannabis Retailers' Occupation Tax in the Amount of 3%.

Chris Minick explained that staff is taking this supplemental action to the direction that was granted at the August 19 Government Operations Committee meeting directing staff to begin the process to change the zoning ordinances to potentially allow recreational cannabis sales within the City limits. The tax being contemplated in this ordinance would apply in addition to the City's general merchandise sales tax of 2% resulting in a 5% combined sales tax on recreational cannabis sales if approved by the City Council. Current law does not allow the implementation of a local recreational cannabis sales tax until September 1, 2020. The Illinois Municipal League (IML) is seeking a legislative change during the veto session of the State legislature that would allow imposition of the local sales tax as of January 1, 2020, to coincide with the date authorizing the use of recreational cannabis. The Illinois Department of Revenue requires 90 days' notice to process changes to local sales tax. IML is recommending that municipalities that would like to implement the recreation cannabis sales tax pass that ordinance and certify it to the Department of Revenue prior to October 1. In the event that legislative change is successful the local sales tax could be implemented on January 1, 2020. If it were not successful the ordinance would still be on the books and the Department of Revenue would still have direction consistent with the effective date authorized for the local tax to go into effect. The Department of Revenue would start collecting that tax on behalf of the City of St. Charles if we approve recreational cannabis sales in the future. Due to the timeframe staff is requesting a recommendation to approve the ordinance.

Ald. Payleitner mentioned that the authors of the bill headed by Senator Steans recommended not to cut at the State Level, but to cut the municipal level. IML hopes to move up the date to January 1, she doesn't agree, and continues with the stance to take things slower.

Ald. Silkaitis said that he agrees with Ald. Payleitner. The State can't make a clear law on what can and can't be done. They won't reduce their tax rate, but we must reduce ours to increase the State of Illinois' tax. Ald. Silkaitis indicated that he's not comfortable, and would be voting against the ordinance.

Ald. Lemke agreed and said he would not be in favor of this and that he's also not in favor of the January implementation.

Ald. Turner said if this passes its fine and if recreational marijuana doesn't pass then we have it on the books. Better to be safe than sorry because he believes there will be a change.

Chair Lewis asked what would happen with the ordinance if recreational cannabis sales were not passed. Chris said that notification would be sent to the Illinois Department of Revenue to inform them that it wasn't authorized. The ordinance could also be rescinded Council directed. The way the process works the Department of Revenue would notify the individual dispensaries that may be operating in the town. If there is nobody to notify there is nobody to collect from and no practical impact on the ordinance.

Chair Lewis asked what percent of the 3% will the State are taking for their administration? Chris answered that they take 1.5% of all total collections, which is the same administrative fee that the Department of Revenue applies to all locally administered tax.

Chair Lewis said that this is premature, taxing something that doesn't even exist, based on that she said she would not support this ordinance.

Motion by Ald. Turner second by Vitek to recommend the approval of an Ordinance Amending Title 3, Chapter 3.60 of the Municipal Code Imposing a Municipal Cannabis Retailers' Occupation Tax in the Amount of 3%.

Roll Call: Ayes: Bessner, Stellato, Turner, Vitek, Pietryla; Nays: Silkaitis, Payleitner, Lemke; Absent: Bancroft. **Motion Carried.**

7. 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)

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

9. Adjournment