

**MINUTES
CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
TUESDAY, JANUARY 19, 2021**

1. Call to Order

The meeting was called to order by Chairman Lewis at 8:01 p.m.

2. Roll Call

Present: Ald. Gruber, Vitek, Pietryla, Bessner, Stellato, Silkaitis, Payleitner, Lemke, Bancroft

Absent: None

3. Administrative

a. Fuel Tax December, 2020 – Information Only

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. Bancroft second by Ald. Bessner to approve the omnibus vote.

Roll Call Vote: Ayes: Gruber, Vitek, Pietryla, Bessner, Stellato, Silkaitis, Payleitner, Lemke, Bancroft; Nays: None. Chairman Lewis did not vote as Chairman.

Motion Carried

5. Police Department

a. **Recommendation to approve an Ordinance Amending Title 5 “Business Licenses and Regulations”; Chapter 5.08 “Alcoholic Beverages”; Sections 5.08.090 “License Classifications”, 5.08.100 “License Fees; and 5.08.130 “License – Hours of Sale”, of the St. Charles Municipal Code. (H-1 Caterer Liquor License)**

This item was presented at the Liquor Control Commission meeting earlier in the day, and passed with a vote of 4 – 0.

Chief Keegan explained that the code is being amended to differentiate the Class D liquor license into two tiers, one for small event venues (less than 75 attendees) and another for large event venues (more than 75 attendees). Additionally, Class B and C licenses, restaurants/taverns, will be allowed to function as a caterer at these venues

(an H license is being created for this).

The second part of this amendment is for a new H-1 and H-2 license for caterers. Bona fide caterers/restaurants have a department of revenue sales tax number from the State, are certified by the county health department, and are registered with the City for the license and alcohol tax.

H-1 licensed caterers will be licensed restaurants located within the City of St. Charles and will be allowed to leave their facility to serve food or alcohol at a private function.

H-2 licensed caterers are catering companies or restaurants located outside the City of St. Charles.

The hours of operation for H licenses are 7:00 a.m. – 12:00 a.m., this has been vetted through legal counsel, and a catering license would have to be obtained through the State after receiving approval from the City.

Chief explained that this newly created license is needed for this growing market, and St. Charles is one of the first suburbs in the area to do this.

Motion by Ald. Lemke, second by Ald. Pietryla to recommend the approval of an Ordinance Amending Title 5 “Business Licenses and Regulations”; Chapter 5.08 “Alcoholic Beverages”; Sections 5.08.090 “License Classifications”, 5.08.100 “License Fees; and 5.08.130 “License – Hours of Sale”, of the St. Charles Municipal Code. (H-1 Caterer Liquor License)

Roll Call Vote: Ayes: Gruber, Vitek, Pietryla, Bessner, Stellato, Silkaitis, Payleitner, Lemke, Bancroft; Nays: None. Chairman Lewis did not vote as Chairman.

Motion Carried

b. Recommendation to approve a Proposal for a D-9 Liquor License Application for Cedar Fox Located at 316 Cedar St., St. Charles.

This item was presented at the Liquor Control Commission meeting earlier in the day, and passed with a vote of 4 – 0.

Chief Keegan explained that this is a new business venture from the owners of 210 Cedar. They purchased the east building at the former Johnson’s Statuary and are building a large event space to host weddings, corporate events, etc. They have already had over fifty inquiries for rentals this year, and hope to secure between fifty and one hundred fifty events per year. This allows for a caterer to come in and serve food and beverages or both. If alcoholic beverages are served food must be served in

conjunction. The hours of operation are 7:00 a.m. – 12:00 a.m. however; the owners would like to operate from 11:00 a.m. to 11:00 p.m., with alcohol service stopping at 10:30 p.m. There is a patio to the north of the facility that is secure with landscaping and fencing.

Motion by Ald. Bancroft, second by Ald. Vitek to Recommendation the approval of a Proposal for a D-9 Liquor License Application for Cedar Fox Located at 316 Cedar St., St. Charles

Roll Call Vote: Ayes: Gruber, Vitek, Pietryla, Bessner, Stellato, Silkaitis, Payleitner, Lemke, Bancroft; Nays: None. Chairman Lewis did not vote as Chairman.

Motion Carried

c. Recommendation to approve a Proposal for an H-1 Liquor License Application for McNally's Located at 109 W. Main St., St. Charles.

Ald. Stellato indicated that he would be abstaining from the vote on this item.

This item was presented at the Liquor Control Commission meeting earlier in the day, and passed with a vote of 4 – 0.

Chief Keegan explained that this item coincides with the creation with the new Caterers license, and would allow McNally's to serve alcohol and or food outside of their location at special events. McNally's is planning to enter into a contract with Cedar Fox to provide catering. McNally's will be required to acquire a license from the State after they are approved for a caterer license from the City.

Chief Keegan clarified that any restaurant or caterer can apply for and H1 or H2 license in St. Charles with the caveat that they would have to be licensed by the State.

Motion by Ald. Payleitner, second by Ald. Lemke to recommend the approval of a proposal for an H-1 Liquor license application for McNally's located at 109 W. Main St., St. Charles.

Roll Call Vote: Ayes: Gruber, Vitek, Pietryla, Bessner, Silkaitis, Payleitner, Lemke, Bancroft; Nays: None; Abstain: Stellato. Chairman Lewis did not vote as Chairman.

Motion Carried

d. Recommendation to approve a Proposal for a New Massage License Application for Annie Nails to be located at 546 S Randall Road, Unit C, St. Charles.

Chief Keegan noted that item 5.d. would not be discussed because the applicant

decided not to proceed, and asked that the item be removed from the agenda.

e. Recommendation to approve a Proposal for a B-1 Liquor License Application and 2:00 a.m. Permit for Shakou, located at 312 W. Main St., St. Charles.

Chief Keegan stated that this item was presented at the Liquor Control Commission meeting earlier in the day, and passed with a vote of 4 – 0.

Chief Keegan mentioned that Shakou operated in St. Charles for several years before closing in June of 2019. They are looking to reopen their location in St. Charles with the same business model, and have requested a 2:00 a.m. permit.

Motion by Ald. Pietryla second by Ald. Gruber to recommend the approval of a Proposal for a B-1 Liquor License Application and 2:00 a.m. Permit for Shakou, located at 312 W. Main St., St. Charles.

6. Finance Department

***a. Budget Revisions for December, 2020.**

Motion by Ald. Bancroft second by Ald. Bessner to approve the omnibus vote.

Roll Call Vote: Ayes: Bancroft, Gruber, Vitek, Pietryla, Bessner, Stellato, Silkaitis, Payleitner, Lemke; Nays: None. Chairman Lewis did not vote as Chairman.

Motion Carried

b. Recommendation to Approve an Ordinance Amending Chapter 3.32, “Hotel Operators Occupation Tax, Section 3.32.075 “Proceeds” of the St. Charles Municipal Code.

Chris Minick explained that the amendment being proposed and the process for annual dispersing of funds to the civic organizations from the City annually through the hotel/motel tax revenue stream was discussed at the City Council Budget Retreat last year. Currently the code specifies the four organizations and the amounts they are to receive annually:

The St. Charles Convention and Visitor’s Bureau (\$526,500)

The Pride of the Fox Festival Committee (\$27,000)

The Visitors Cultural Commission (\$80,460)

The St. Charles History Museum (\$31,000)

The section of the code also specified that after payments are made to these civic groups any remaining revenues from the hotel/motel tax revenue stream would be

available in the City's General Fund for expenditure on any lawful corporate purpose of the City, in accordance with State Statutes.

During a typical year the City takes in \$2M-\$2.2M annually through our hotel motel tax line item. Approximate \$600,000 is distributed leaving \$1.6M for City operations.

We identified some weaknesses with this current methodology. It does not account for inflation or cost increases, changing economic conditions or fluctuation of the hotel/motel tax revenue stream. As a result of the economic shutdown and mitigation measures taken in response to Covid-19 this line item has been decimated, experiencing losses of 75% - 80%.

The current methodology does not allow for the changing needs of the funded organizations. It does not recognize the possibility of new or merged organizations. The Convention and Visitors Bureau and the Downtown St. Charles Partnership have merged into the St. Charles Business Alliance.

Funding requests were separate from the budget process. That has been changed to be in conjunction with budget preparation.

We are proposing several changes with the intent to create a flexible and sustainable methodology for distribution of the hotel/motel tax revenues and codify the current practice. The methodology created will allow for flexibility in the groups funded, the amount of funding received, while respecting prevailing economic conditions and also a methodology that meets the needs of the various stakeholders while respecting the original intent and use of the hotel/motel tax proceeds.

The proposed changes include removing the specific organizations funded and the amounts received. This would instead be determined annually by the City Council. The emphasis would remain on tourism, culture, historic preservation, and promotion of arts in the City.

It would be maintained that any residual hotel/motel tax revenues after the distribution to the civic groups would be retained in the City's General Fund and be available for any lawful corporate use within the City.

It was asked if new organizations would have the option to request funding. Chris answered that it is possible if they fit the categories defined in the ordinance.

Motion by Ald. Lemke, second by Ald. Pietryla to Recommendation the approval of an Ordinance Amending Chapter 3.32, "Hotel Operators Occupation Tax, Section 3.32.075 "Proceeds" of the St. Charles Municipal Code.

Roll Call Vote: Ayes: Gruber, Vitek, Pietryla, Bessner, Stellato, Silkaitis, Payleitner, Lemke, Bancroft; Nays: None. Chairman Lewis did not vote as Chairman.

Motion Carried

7. Information Systems

***a. Recommendation to authorize staff to award MCC Innovations (MCCi) an annual contract for Laserfiche support and maintenance for \$27,863.23**

Motion by Ald. Bancroft second by Ald. Bessner to approve the omnibus vote.

Roll Call Vote: Ayes: Bancroft, Gruber, Vitek, Pietryla, Bessner, Stellato, Silkaitis, Payleitner, Lemke; Nays: None. Chairman Lewis did not vote as Chairman.

Motion Carried

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

Roll Call Vote: Ayes: Bancroft, Gruber, Vitek, Pietryla, Bessner, Stellato, Silkaitis, Payleitner, Lemke; Nays: None. Chairman Lewis did not vote as Chairman.

Motion Carried

Motion by Ald. Stellato, second by Ald. Lemke to exit executive session at 8:16 p.m.

Roll Call Vote: Ayes: Bancroft, Gruber, Vitek, Pietryla, Bessner, Stellato, Silkaitis, Payleitner, Lemke; Nays: None. Chairman Lewis did not vote as Chairman.

Motion Carried

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

9. 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)

10. Adjournment

Motion by Ald. Lemke, second by Ald. Pietryla to adjourn the meeting at 8:16 p.m.

:tc