

**Minutes**  
**City Council Fall Retreat**  
**Saturday, September 26, 2020**

**1. Call to Order**

The Meeting was called to order by Mayor Rogina at 8:00 am.

**2. Roll Call**

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

**Others Present:** Mark Koenen, Chris Minick, Chief Keegan, Chief Swanson, Peter Suhr, Rita Tungare, Jenn McMahon, Larry Gunderson, Benjamin Nielson, Tracey Conti

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**3. Welcome Remarks**

Mayor Rogina welcomed everyone and reminded all to practice social distancing and to wear masks when not at their seats. The Mayor mentioned that he would check with the Council Members toward the end of the meeting to see if they would like to break out for an additional conversation.

**4. Open Forum**

**Outdoor Dining Presentation & Discussion**

Mark Koenen, Chris Minick, Rita Tungare



9-26-2020 Outdoor  
Dining Presentation

Mark mentioned that the City of St. Charles has had a Sidewalk Cafe Permit available for the past 2 decades that allows outside seating at certain restaurants. This permit was extended to some of the restaurants on 1st Street Plaza. The municipal code addresses how this is handled through the use of a 100-day permit issued mid-April through the end of July. The City has a choice to extend the permit for an additional 100 days taking it through the end of October.

Mark further explained that during the summer of 2020 restaurants closed for 10 weeks due to the COVID-19 pandemic. When the Governor announced that outdoor dining would be permitted as part of Phase 3, a new dining program was quickly established to complement the Sidewalk Cafe Program in place for public lands. The new Temporary Outdoor Dining Permit was extended to private property. Several businesses take part in this program and it's received favorable reviews. Recently, questions have been asked about extending the program through 2021.

Mark reminded the Council Members that in order to allow the Temporary Outdoor Dining Permit some of the municipal codes were relaxed. Specifically, the parking code requirements and zoning items related to setback and signage issues. Mark asked Rita Tungare if there have been any complaints regarding the relaxation of permits; Rita said there have not been any complaints.

Ald. Payleitner said that she thinks everyone has been very patient and grateful for the opportunity.

Ald. Lewis responded that a lot of people have indicated that the Plaza is crowded and they don't want to go there during the pandemic.

Ald. Lemke asked if there have been any issues with ADA parking. The Mayor, Mark, and Chief Keegan answered that no complaints have been received regarding this issue.

Mark continued by saying that he assumes we will be in Phase 4 through spring or summer of 2021.

Ald. Bancroft asked for a reminder on what Phase 4 means. Rita Tungare said that Phase 4 allows indoor dining at a limited capacity, tables 6 ft. apart (approximately 50% capacity indoors), standing room only for bars limited to 25% capacity for bars. Phase 3 allows for outdoor dining only.

Ald. Lewis asked if there is any way to monitor that the restaurants in St. Charles are following the Phase 4 guidelines. Rita Tungare said that it's the Kane County Health Department's responsibility to monitor those issues, and noted that there have been no complaints to her department.

Mark added that on September 25, 2020 he spoke with Barb Jeffers the Executive Director of the Kane County Health Department; she did not express any concerns regarding complaints for restaurant dining, indoor or outdoor, in terms of table set up. Mark asked the Council Members if they would like to continue with outdoor dining through 2021.

Ald. Bessner asked if it would be a full-time program or continue to be temporary. Mayor Rogina and Mark answered that it will be up to the City Council to decide what should be done.

Ald. Vitek said she thinks it should be made permanent. She said that even with the pandemic people have been coming to St. Charles to dine outdoors. A lot of people would like to see this continue after the pandemic and would see it as a loss if it were taken away.

Ald. Lewis indicated that she would like it to continue, not in the same fashion, but she would be in favor of making it permanent.

Ald. Stellato said a decision has to be made because these businesses will need to invest money for tents, heaters, etc. The City needs to let them know either way. Ald. Vitek noted that she has heard those same questions from business owners regarding tents, heaters, permitting etc.

Mark said that there have been requests for winter outdoor dining and mentioned a meeting he, the Mayor, Fire Department and Building & Code Enforcement staffs and Rita Tungare recently met with a company that provides outdoor dining options. Mark noted that the City of Chicago recently released some guidelines for winter "outdoor" dining.

Mark brought up that The Office has had outdoor dining on private property in the winter for years with the use of their tent and that Alter Brewing has received a minor change to allow a tent on their property for winter outdoor dining. He asked the Council Members if they are interested in allowing temporary outdoor dining in the winter months, noting that the current temporary permits expire on October 31, 2020. The businesses are looking to make investments and need to know what will be allowed.

Mark told the group that Batavia and Geneva are permitting outdoor dining for the entire duration of Phase 4. He noted that Phase 4 is where we are now in the Restore Illinois Plan; Phase 5 would mean we're back to normal because there is a vaccine.

Ald. Silkaitis said being in an enclosed tent outdoors is not outdoor dining. It's the same as sitting in a restaurant. The same rules would apply as for indoor dining. Mark said that outdoor dining is defined in Chicago as a four-sided structure with 2 sides open, and the State has not given any guidelines.

Ald. Bancroft said that restaurants are adding square footage to their restaurants with the outdoor structures. They should be allowed to do that as long as people are 6 ft. apart. To say that it's one sided, two sided, shouldn't make a difference. Treat it like its indoor dining.

Ald. Lewis spoke about the Plaza, if and when we get back to Homecoming Parades, Santa, etc. Where would these things take place if the Plaza is full of tents? Mayor Rogina answered that before staff presented guidelines they would find out what events are pending.

Ald. Vitek said that the St. Charles Initiative proposed that the new First Street would shift those type events to the new public space. Ald. Lewis said that she doesn't think there will be a future for winter outdoor dining after the pandemic is over.

Mayor Rogina said it seems that the Council would be looking towards allowing outdoor dining but for winter it would not go beyond 2021.

Ald. Bancroft proposed allowing tents in the plaza for now to let the businesses get through the pandemic.

Mayor Rogina asked how much public utility we want for the plaza all year round.

Ald. Payleitner said there are two divisions, public space vs. private space. What is done on private property is different than what we allow on the public space. Its two separate things.

Ald. Stellato mentioned that Flagship is using Walnut Ave and said if we say no on 1st Street, we have to say no everywhere. Do we want to shut the door on this? That's not economic development. There has to be a way to blend this all together to promote economic development.

Ald. Lemke said that the model of what The Office has done has worked well and would work well for businesses with their own space. The issue is what to do with public space.

Ald. Bessner asked what the City's responsibility will be regarding snow, ice, etc. Mark said that from a

matter of insurance and indemnification it would be passed along to anyone using that public space and would be obligated for maintaining that area.

Ald. Bancroft said that if we are going to make this permanent we need to have a permanent plan. Mayor Rogina answered that staff could be directed to come back with a permanent dining plan, including how much space is allowed and the fees involved. The Council can discuss on the dais, earlier rather than later, regarding the specificity of the plan, particularly on public property.

Ald. Lewis said she's not convinced that winter outdoor dining is permanent and that this discussion wouldn't be happening if weren't for the pandemic. She asked if anyone is aware of any other communities that have outdoor tents for winter dining.

Mayor Rogina said the question is how long it's going to take for these businesses to get back to whole.

Ald. Bancroft agreed that the City wouldn't allow these temporary structures year after year. The only reason it's being allowed is to increase square footage so businesses can maintain their revenue stream with the appropriate 6 ft. spacing. Ald. Bancroft said he would support this while these rules are in place but moving forward wouldn't think we would want to continue.

Mayor Rogina asked if the Council would be interested in a permanent dining program with the winter dining proposal being temporary.

Ald. Payleitner reiterated that public and private are different categories and need two different plans.

Ald. Stellato said it's good to give the business owners some definition. He brought up Ald. Bessner's point about snowfall, etc., and said the City is entering into a new arena, and not just on 1st Street.

Mark proposed that during Phase 4 the City allow tents/outdoor structures in the winter on public and private property (temporarily), but during Phase 5 it's revisited and we step back/reconsider having these tents/structures.

Ald. Vitek stated that the Council Members should try not to get caught up on the tent look. There are creative business owners and it might be something different.

Ald. Bancroft stated that the vibrancy of the downtown has been great with the outdoor dining; with that in mind, and if it becomes permanent, it's our property and we should plan how it looks. It should look a lot nicer than it does now.

Mayor Rogina confirmed that the Council Members are in favor of outdoor dining (private property) and sidewalk café dining (public property) for Phase 4 & 5. A plan will be implemented after the Council discusses what the space will be for public property. With respect to winter outdoor dining in tents that would be allowed only during Phase 4.

Ald. Bessner said that he would like to see the fixtures, tables, umbrellas all be consistent.

Ald. Silkaitis asked if the businesses will pay for their own tents. The Mayor said yes. Ald. Silkaitis asked if

anyone can enter those tents to warm up since it's on public property.

Atty. Peppers answered said that municipal owned property, such as the Plaza, there is much more latitude with what you can do with it because it's owned by the City. Ald. Bancroft agreed saying that tents on the street will become problematic, but the Plaza is different.

Atty. Peppers said that non-taxable bonds were used for the Plaza development and asked if there is overlay on how it's used.

Chris Minick agreed with Atty. Peppers. Chris said that because of the tax-exempt bonding used to construct the Plaza and all the public improvements on 1st street some considerations are needed when talking about private use of this space. A program can be structured to meet the IRS requirements, but when we start to talk about leases, in order to meet that prior use test, the use can't exceed 100 days per term. We can put provisions in the lease that it will automatically renew unless one side decides to terminate. The City would have the right, once every 100 days, to say for example, the Plaza can't be used anymore. The IRS restrictions wouldn't extend to Walnut Avenue ROW, because there is no tax-exempt financing in place today. Under the 100-day exception there needs to be a published schedule for rates for all using the Plaza. If we negotiate each lease individually the term drops to 50 days.

Ald. Lewis asked what the return on investment would be for the City and how much staff time would this will take to manage.

Mark answered what takes time are processing the applications on public lands. The locations we are working with now are Walnut Ave, and the Plaza which is manageable. The payback would be related to what the license fee would be to use the space and sales/liquor tax receipts.

Ald. Bancroft said this should be planned as if it's a permanent use and as if there is no pandemic in place. We have one shot to do this and it needs to be done right.

Ald. Vitek asked if it would be beneficial to close Walnut Avenue permanently. Mark said that if this were to be done Walnut Avenue would be vacated and divided down the middle with the property going to either side of the street. It's a possibility.

Mayor Rogina said that he thinks what he heard from everyone is to allow temporary dining on public spaces and private locations during Phase 4, get a plan together for permanent outdoor dining on public locations.

Mark proposed that during the summer of 2021 there is no fee for outdoor dining and establishing a fee after the pandemic; perhaps FY 2022-23.

Ald. Lewis agreed that there should be no fee during the pandemic. She went on to say that making this permanent will take a substantial amount of money and asked how it would be budgeted.

Mark said there will need to be a revenue stream in mind to help pay for whatever happens when the pandemic is over. Restaurants are going to be struggling and we want to help them to be as successful as possible. When entering Phase 5 a fee should be implemented.

Mayor Rogina asked if it would be unreasonable to ask staff for a Phase 4 and a Phase 5 plan. Mark said it's possible but staff would need some guidance and feedback

Ald. Bancroft said that Council needs something to react to, a plan, hire a designer, etc.

Ald. Bessner said that if the City is going to be putting fixtures in place we should consider charging a fee in FY 2021/2022. Ald. Stellato and Mayor Rogina said that wouldn't happen until we start to spend money in Phase 5.

Ald. Silkaitis asked about Walnut Avenue and if we would sell it. Mark said we could sell this ROW with the vacation.

Ald. Silkaitis said he has no problem with doing outdoor dining now, but in Phase 5 outdoor dining shouldn't be allowed.

Ald. Bancroft said that if we're not charging, what do we tell The Office? Is there some quantification of this freebie being given?- Mark said that he had a conversation with a business owner who suggested reduction of liquor licenses, etc.

Ald. Bancroft said the City should get a Broker to give an idea of what this allowing use of public land, for example the 1<sup>st</sup> Street Plaza is worth.

Mark briefly summarized the conversation.

1. In the summer of 2021, in Phase 4, temporary outdoor dining and sidewalk café dining will be the same as in 2020. The City will remain business friendly and maintain a healthy environment in our downtown and entertainment service industry throughout the City. That program will continue into the future as a permanent program, however, the outdoor dining on private property will be revisited when we are in Phase 5 of the Governor's Restore Illinois Program.
2. Winter outdoor dining will be permitted in 2021, the City will be flexible.
3. Reach out to a broker for assistance regarding the fee structure for outdoor dining on public lands.
4. Have a conversation with the owners of Flagship and the Arcada regarding Walnut Avenue.
5. Develop a permanent plan for 1<sup>st</sup> Street, the esthetics of the site, maintenance aspects, etc. for the long term. Whatever is done on 1<sup>st</sup> Street should be carried to Walnut Avenue as well.
6. Extend temporary outdoor dining through Phase 4 with no City investment of money.

Mark said that word was received from the State of Illinois that St. Charles will be allowed to close 1st Street and maintain the pedestrian crossing and light.

Ald. Pietryla asked if there are issues with emergency vehicles if Walnut St. is closed.

Chief Swanson said access is needed to the private alley (within the Arcada block) and along Riverside Avenue.

9:20am – 9:30am break

## **Budget Highlights and Forecasts for the Remainder of Fiscal Year 2020-2021**

Chris Minick



Budget Highlights-  
Fall 2020 retreat.pdf

Chris gave a brief overview and explained that he will be providing an update on the financial impacts of the Coronavirus including reviewing and updating the following:

- **Review of FY 2020/2021 Budget**
- **Review of May 18 City Council Budget Workshop**
- **Update on FY 2020/2021 Finances Year-to-date**
- **Upcoming Highlights**

Chris mentioned that after the 10-week shutdown of nonessential businesses and not knowing what the impacts of COVID-19 were going to be, the decision was made to enact the budget as prepared (pre-Covid) and respond as the data indicated. The Council took immediate action to reduce expenses and cut the FY 2020-21 General Fund budget 5%.

Chris explained why \$49 million in the General Fund Budget was impacted by COVID-19 by going over the following information:

- **Consumptive Taxes** = 48% (\$25 million) of General Fund revenues
  - Sales, Use, Alcohol, and Hotel/Motel Taxes
- **Income Taxes** = 7.5% (\$3.2 - \$3.7 million) of General Fund revenues
- **Property Taxes** = 27.5% of General Fund revenues

Chris said that 55% of the General Fund is specifically attributable to the revenues that would be most severely impacted by the COVID-19 epidemic. It was anticipated that property taxes would not be significantly impacted by COVID-19 but that there could be a delay in collection.

Some of the impacts outside the General Fund:

- **Video Gaming Revenue** (Capital Projects)
- **Local and State Fuel Taxes** (Roadway Projects)

Video gaming revenues were impacted which support our Pay as You Go Capital Project Program, and the local and state fuel taxes that fund roadway maintenance and improvement projects. Chris noted that the local tax on fuel is \$.02 per gallon.

The utility funds are being driven by capital projects and are well balanced as of now.

Chris said that 4 scenarios were developed after the discussion at the May 18 Workshop. What those

reflected is to expect a 6% - 20% revenue shortfall based on the length and depth of the business loss. At that point there was a significant impact to the consumptive taxes, primarily the hotel/motel tax, some of the fuel taxes. There was not a lot of impact to the property taxes and we didn't have a lot of sales tax data at that time.

Chris went over the conclusions from the Workshop on May 18:

- **COVID-19 Will Have a Pronounced Impact on City Finances**
- **Current Indications are Consistent with a 10-15% Projected Modeled Impact to General Fund**
- **Staff to Implement 5% Budget Reductions Immediately**
- **Additional Adjustments Likely Will be Necessary**
- **Additional Adjustments will Likely Have Noticeable Impacts for Public/Citizens**

Actions taken after the Workshop:

- **Phased Approach implemented**
- **5% Budget adjustments enacted**
  - Capital Projects
  - Vehicle replacements
  - Suspension of spring clean-up
  - Deferral of non-essential hiring
  - Various studies and grant programs reduced or eliminated
- **Continued monitoring for additional data and indications**
- **Be prepared to take additional adjustments steps if necessary**
- **July update: 9.50% revenue impact trend**

Chris went over the impacts of the pandemic on the City's finances:

- **Pandemic has impacted City finances**
  - Consumptive taxes have suffered
  - Not to levels anticipated
  - Not for duration expected
- **Impact not as great as feared initially**

Chris said that the amount of revenue loss has not been as much as expected and it doesn't seem it will last as long as some of the models contemplated. Every month seems to be a little bit better in closing the revenue gap. We have also seen the benefit of lower expenditure levels as a result of lower economic activity.

Revenues are trending lower by approximately 9.30% as of the end of August.

- **Hotel Taxes have declined nearly 80%**
- **Video Gaming revenues have declined nearly 75%**
  - Will improve rapidly now that play has resumed.
  - Likely 20-25% reduction by April 30

There have been severe impacts in the hotel/motel tax and that will likely continue until people feel safe about traveling. Video gaming machines were shut down for 3 months, but have opened again as of July

1, and we've seen the revenue return to normal.

Chris compared the Year to Date Revenue Analysis for fiscal years 2020/2021 and 2019/2020 May through August.

- Property taxes are up about 3%, by the end of the year it will be roughly a 1.9% increase.
- Sales Tax is down by 13%. Sales tax is a significant part General Fund, 1/3 of the revenue; this reduction is quite an impact.
- The Hotel Tax has declined significantly under \$200,000 in FY 2020/2021 as compared to almost \$1 million in FY 2019/2020. Part of this is due to Pheasant Run closing, but not all. When the monthly tax receipts are received from the hotels they are down significantly from where they were 1 year ago.
- The Use Tax has seen a big increase. There was a favorable court ruling recently relating to use tax and internet sales. This allows the State to collect more use tax on internet sales than they did previously. This has helped mitigate some of the losses.

Chris noted that the General Fund revenue is approximately 7.5% lower in summer 2020 than it was in summer of 2019. Looking forward, financial highlights follow:

- **FY 2019-2020 Results**
  - \$850,000 General Fund Surplus (uncertified results)
- **Sales Taxes Rebounding**
- **CARES Act Funding on the horizon estimated at \$2.9+ million**
- **Record Low Borrowing Rates**
- **Expenditures lower**
- **We haven't seen the Cannabis Tax revenue impact – expect to see this in October**

Chris mentioned that the FY 2019/2020 Audit is wrapping up and the General fund is showing a surplus of \$850,000. If the shutdown didn't happen this number would have been about 50% higher. This \$850,000 cushion can provide an additional reserve over and above the \$2.5 million already carved out of the budget to continue to mitigate the effects of the pandemic if the Council would like.

Chris noted that there is some good news regarding sales taxes and explained that September distribution for 2020 was within \$2,000 from where it was in 2019.

Chris explained that Kane County and DuPage County applied for and received CARES Act funds from the Federal Government to be passed down to municipalities within their jurisdictions. St. Charles is eligible for \$1.9 million dollars of funding from Kane County and an additional \$32,000 from DuPage County. This allocation is based on population, 90% of St. Charles' population is in Kane County, which explains the difference in funding amounts. Applications have been filed with both counties requesting the maximum amount of funding and are waiting for approval of the applications. If this funding is approved this is another source of revenue that would help with the response to COVID-19.

Chris said that the low borrowing rate has worked in our favor. Bonds were sold recently at an interest rate lower than 2%. We also took advantage of refinancing on three bond issues generating \$800,000 in interest cost savings over the next 10 years.

We are trending to be about \$1 million below our adjusted budget. This gap could narrow a bit as we move forward because we are back to a more normalized activity level pertaining to City operations. For a while our service levels were scaled back due to what was happening with the economy.

There hasn't been any revenue impact from the cannabis sales tax put in place, effective July 1, 2020. Per State statute we were not allowed to enact the local sales tax prior to July 1, 2020. We do have an ordinance for 3% local sales tax on recreational cannabis sales and should see the revenue from that starting in October, 2020. The sales tax from cannabis is subject to the same 90-day lag as all sales tax is subject to from the State. No cannabis tax revenue was included in the FY 2020/2020 budget because at the time recreational sale was not approved.

Chris told he group that the Federal Open Market Committee met and said that the key takeaways from that meeting are as follows:

- **Overall economic conditions have improved.**
- **The virus will dictate the path of the economy.**
- **Unemployment will double pre-pandemic levels.**
- **Interest rates will remain low for 3 years.**

Moving forward the following is recommended:

- **No additional adjustments recommended at this time.**
- **Continued monitoring**
  - Cannabis Revenue
  - COVID Reimbursements
  - Expenditure Levels
  - Financial Results
- **\$850,000 additional reserve**

Chris said that adjustments may be necessary as we move forward. We don't know what winter will bring for our restaurants particularly with outdoor dining. We will likely be experiencing impacts from COVID-19 over a prolonged period of time. Chris said that the trends show that the budget adjustments that were made, 2.5%, and our revenue levels are going to be close by the end of the year. This information could change as more data is received.

Mayor Rogina told the group that the lobbyist from Metro West said that if the progressive income tax doesn't pass LGDF could be reduced by 50% which would be a \$1.7 million loss for St. Charles.

Ald. Pietryla asked if Chris has heard any information or feedback about the cannabis sales tax. Chris answered that he hasn't and part of the problem is the collection stream (recreational and medicinal sales). When recreational sales were added it's difficult to decipher the percentage. It will take a while to ramp up and it's not clear where those revenues will fall. Chris said he thinks it will be a six-figure number.

Ald. Lewis asked if there is a way to track which industry populates more sales tax than others. Chris answered that it can be done, but it's not an easy task and is a lot of work. It could be done on a

quarterly basis. It hasn't been tracked for 2020, but we do have the information for 2019.

Ald. Stellato asked how we look at our reserve funding and percentages going forward and where it is currently. Chris answered that we are at 35% in the General Fund, and see revenues of about \$50 million and expenditures of \$47 million. We have the ability to lose about 10% of our reserves and be within the 25% reserve policy set by the City Council. Chris added that an additional \$850,000 has been added and we are at approximately \$17 million in the General Fund.

Ald. Bancroft asked about the additional \$850,000 and if Chris would be happy with this number if we didn't have a pandemic. Chris answered that the goal is to budget to break even on an annual basis. We end up budgeting for more expenditures than we can cover, particularly in the area of capital projects. There is a transfer of money that happens every year from the General Fund to the Capital Program. We don't get to everything we think we'll get to. That's how we've generated a surplus over the last couple years. Our revenues have been lower than budgeted over the last 2 – 3 fiscal years. That will not keep up forever and at some point, that will catch up with us if we don't continue to see growth in our revenue streams. You do forgo opportunities when you're not spending everything you take in. We do need to maintain that reserve level, some level of surplus is good, \$850,000 might be a bit on the high end given where we are now.

Chris said that we have utilized reserves; in fact, \$4 million dollars was used to pay for the new Police Station. He said that the Public Safety Actuarial Study as of April 30 is not good this year. Pension contributions are going to go up significantly based on the fact that we have an April 30 year end and the economy and stock market was down 25% - 30%.

Ald. Silkaitis said that we can credit these reserves for not having to lay off staff.

Mayor Rogina said he is very proud of what we've accomplished during this pandemic.

*Break 10:25 - 10:35*

### **Affordable Housing Discussion**

City Council Members/Staff



Affordable Housing  
HO.pdf

Ald. Bancroft stated that the reason for this discussion is he was thinking about the Munhall Subdivision proposal, Oliver Hoffman concept plan, and the Charlestowne Mall, the old east gateway redevelopment that is going to happen at some point. It's important to make sure that St. Charles is the most competitive position as possible. Fees are a major point of discussion and how expensive it is to build in St. Charles. Now, based on the recent numbers provided, we are in a good position in terms of affordable housing.

If we had applied the ordinance with the threshold as a suspension, the way used to do; there would be

no charges for current developers. This takes away the competitive disadvantage to develop in the community. Ald. Bancroft said he doesn't know if the right answer would be to suspend this and he started thinking about different options to adjust the fee in lieu. The impact of the affordable ordinance was positive when looking at Prairie Center, but it wasn't that positive for Prairie Winds. The Geneva side of Bricher Road, west of Randall Rd is single family, and the St. Charles side is multifamily. One of the reasons for this is the affordability of our Affordable Housing Ordinance for developers lends itself towards multifamily. We are now encouraging multifamily development vs. single family development.

Ald. Bancroft went on to say that if we are comfortable that our affordable housing stock is where it should be, it's within our purview to make an adjustment to the fee in lieu and it may have a positive impact on convincing developers to continue with Munhall Subdivision, and start encouraging more single-family developments. Ald. Bancroft said he'd like to have this discussion because he thinks it's an adjustment that can be easily made, but there has to be some relief to the fee structure.

Ald. Payleitner said that this was discussed at the last Housing Commission Meeting. The Chairman of the Commission asked that the message be given that the goal is not to build the fund but to increase the affordable housing stock. Whatever we decide to do, that should be kept in mind. Rita continued by saying the only way to build the fund is with new construction.

Ald. Stellato said that at the time this happened two-hundred suburbs in the Chicago area were put on notice because they dropped below the 10% threshold for affordable housing. That's why this ordinance was put together. The formula used was based on density. The more units fit into a community the more bonuses the builder receives and this lends to promoting multifamily. The other part of this was once we hit the 10% we would be done but the Council decided to keep it in place.

Mayor Rogina asked how the price point of Anthem Heights would be classified noting that they sold out rather quickly.

Ald. Lemke noted that there were houses on the market for two hundred days and suddenly houses are selling in a week. People are interested in single family homes and we could benefit from this.

Ald. Bessner sad Anthem Heights are averaging about \$300,000 or more.

Rita Tungare addressed the question raised by Ald. Bancroft. She said that the ordinance has been amended so that without an ordinance change the council has the authority to establish a new fee in lieu each year. This is timely because we usually establish a new fee in lieu at the beginning of each calendar year. Staff has put together a proposal to be brought to Council that includes the recommendation from the Housing Commission. We use the data that comes in from the township in November/December and present the proposal in January. The current fee in lieu is \$39,600 per unit.

Rita Tungare went over the options:

- Put a moratorium on the ordinance
- Suspend the fee in lieu for the next calendar year
- Establish a reduced fee in lieu

Ald. Stellato said that he thinks it should be a graduated fee.

Ald. Bancroft said he doesn't like the optics changing, doing away with or suspending the ordinance. He likes the idea of a significant adjustment to the fee so the economics of developing a single family home development is there.

Mayor Rogina summarized the discussion confirming that the ordinance will remain in place and that the Council would like to have a discussion sooner than later about the adjustment of the number.

Rita Tungare said that this will be brought to the Planning and Development Committee in January, 2021, prior to that a discussion would be had with the Housing Commission. She said currently the fee in lieu is based on 25% of the down payment on an affordable house. She recommended going down to 10% as a start and see how the Housing Commission reacts.

Ald. Bancroft asked if Munhall Subdivision proposal would be grandfathered in. Rita Tungare said that it would be triggered when they file their application. Ald. Bancroft indicated that he doesn't want to delay their application because the Council won't be having the conversation until January. Rita Tungare indicated that something could be worked out.

Mark asked when the fee is paid, if the fee is fixed at the time it's approved, or if it's paid over time with building permits. Rita Tungare answered that it's fixed at the time it's approved but it's paid at time of building permits for each phase, she said a mechanism could be found to work through this.

### **Late Night Permit Discussion**

Mayor Rogina mentioned the City Council Meeting on September 21 when several of the licensees attended to speak about having their late-night permits reinstated. Ald. Pietryla requested that this be reviewed on a monthly basis. Everyone concurred, and it was decided that at the October 19 City Council meeting it would be reviewed. Mayor Rogina mentioned that data will be provided including, trend on the regions positivity rate (Kane and DuPage), St. Charles' positivity rate, the positivity rate of the State, and ICU and hospital bed capacity. Barb Jeffers, the Kane County Health Department Executive Director will provide a snapshot of the county metrics.

The Mayor explained that Ed Simbol from Ed's Basement came in the office spoke to Tracey and asked for a vote on October 5. It was explained to Ed that the City Council directed for October 19 and a vote won't happen on October 5.

The Mayor said that he spoke with the Mayors of Batavia and Geneva. Mayor Burns said that they haven't seen a significant influx to the bars in Geneva. Mayor Schielke said that there are a couple bars in Batavia have seen a spike in business. Both said that they are going to put their Cities on warning. They don't want to see things trending in the wrong direction and, if need be, they would go to a more restrictive late-night position. Counties that have exceeded 8% have been put at an 11 p.m. shutdown. Chicago has a better positivity rate than suburban Cook County and they have been shutting down at 11 p.m.

Ald. Payleitner said that how she votes in October is going to depend on how businesses are complying with the public health rules. If they want to have their late night permits reinstated businesses have to show that they are being compliant.

Ald. Bancroft asked how many new people go into a bar after midnight and said that the Council could make the decision that no one could be allowed entrance after a certain time, but allow the existing patrons to stay until 2 a.m.

The Mayor asked Chief Keegan how that could be enforced. Chief Keegan said that they could enforce it the best they can. The establishments may stretch things. A lot of times people move from bar to bar. St. Charles has a lot of establishments in a small area.

Ald. Pietryla agreed with the idea of no entrance after midnight.

The Mayor said that if someone wants to make a motion at the meeting on October 19 that would be fine.

Ald. Vitek said if you look at the models of the establishment that appeared at the City Council meeting, their models are not conducive to pandemics. I don't know that closing at midnight solves the problem. Possibly with the help of the Alliance we could find things to do prior to midnight to draw people in. The establishments that are bars-only are hurting.

Ald. Silkaitis said that we should see how the winter goes, give it some time and see what happens.

Ald. Bancroft asked what can be shown that prove that closing at midnight has had an impact. He stated that It doesn't seem fair and it's worth having a discussion to limit the admittance to bars after midnight as it may lessen the time and exposure.

Ald. Bessner said that he likes Ald. Bancroft's idea but it bothers him that there is such an unknown and it's detrimental to the business. He said that the data we provide will be helpful to them and asked if Council decides to allow the late-night permits to be reinstated that it be done within 24 - 48 hours. A big complaint about the late-night permits being revoked was that the business owners didn't have a say as to when it would happen.

Ald. Vitek said that at the October 19 City Council meeting the Council should discuss Ald. Bancroft's plan as an option, and it would be on the establishments to be more responsible.

Mark asked why bars are open until 2 a.m. in St. Charles. He said we've done a good job of changing it to an entertainment community and what we're doing now with the pandemic brings up the question if we would want to go back to 2 a.m.

Ald. Lewis explained that when the alcohol tax was instated and they were given the 2 a.m. option.

Ald. Bancroft said that if we changed the competitive set to midnight would basically be saying we don't want bars. We better have an idea for what we do want because there will be a lot of vacant space.

Mayor Rogina answered that he would like to find a balance; we're fighting a health crisis doing the best we can, and at the same time being supportive of the businesses. He said that he's not anti-bar.

Ald. Bancroft asked why the conversation isn't being had on October 5, instead of October 19, particularly because Council is thinking about changing course.

Mayor Rogina said that was based on Ald. Pietryla asking that it being reviewed in a month.

Ald. Pietryla said he would be in favor of having the discussion sooner.

Mayor Rogina took a straw poll and the majority of the Council wanted to have the discussion at the October 5 City Council meeting.

#### **Announcement from Mayor Rogina**

The Mayor announced that he will not be running for a third term of office.

#### **5. Executive Session (5 ILCS 120/2 (c)(4))**

- 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)

#### **6. Summary of Activities**

#### **7. Adjourn**

Motion by Ald. Stellato, second by Bessner to adjourn the meeting at 12:14 p.m.

**Voice Vote:** Ayes: Unanimous; Nays: None; Mayor Rogina did not vote as Mayor.

**Motion Carried**

:tc