# MINUTES
# CITY OF ST. CHARLES, IL
# GOVERNMENT OPERATIONS COMMITTEE
# MONDAY, MARCH 17, 2014

**1. Opening of Meeting**
The meeting was convened by Chair. Turner at 7:08 p.m.

**2. Roll Call**

**Members Present:** Chair. Turner, Ald. Stellato, Silkaitis, Payleitner, Lemke, Bancroft, Martin, Krieger, Bessner, and Lewis

**3. Omnibus Vote**
Budget Revisions – February 2014.

Motion by Ald. Bessner, second by Stellato to approve the omnibus vote as presented.

**Voice Vote:** Unanimous; Nays: None; Chrmn. Turner did not vote as Chairman. **Motion carried.**

**4. Mayor's Office**

**a. Recommendation to approve a Class B (restaurant) liquor license for McNally's Irish Pub with a late night 2:00 a.m. permit to be located at 109 W Main Street.**

**Mayor Rogina:** Actually this is a request to allow a Class B3 License with a permit for a 2:00 a.m. closing which will be for a period from now until we begin the new ordinance on May 1 at which time Mc Nally's will be under the new ownership of Mr. Stavrou and he will be requesting the base license that everyone will be requesting, plus whatever permit he is asking for. So this is really in effect a request for a license for a period from now until May 1. So everything is in order, you have all the information and he is here tonight to answer any questions you might have for him, but my impression is you intend to keep everything as is, is that your plan Mr. Stavrou?

**Mr. Stavrou**: Yes.

**Mayor Rogina**: Yes. So if you have any questions for him feel free to ask – otherwise it's recommended we approve this license from now until April 30th.

**Lewis:** It says the Bassett Training hasn't been finished, completed yet?

**Mr. Stavrou**: It's been located – I have had training but I thought it was expired. So it's all been taken care of.

**Ald. Lewis:** So you've got it.

**Mr. Stavrou**: Yes – Correct.

**Chrmn. Turner**: So any more questions? Otherwise I will move to motion

Motion by Ald. Lemke, second by Bancroft to recommend approval of a Class B (restaurant) liquor license for McNally's Irish Pub with a late night 2:00 a.m. permit to be located at 109 W Main Street.

**Roll Call:** Ayes: Bessner, Lewis, Stellato, Silkaitis, Payleitner, Lemke, Bancroft; Nays: Martin, Krieger. Chrmn. Turner did not vote as Chairman. **Motion carried.**

**5. Inventory Control Division**

**a. Recommendation to waive the bid procedure and allow "Spot Buying" of transformers and switchgear on an as needed basis for FY2014/15.**

**Mike Shortall:** This is for spot buying of transformers and switchgear. We're seeking approval to spot buy transformers and switchgear for the fiscal year 2014/15 on an as needed basis. We'll seek quotes from at least five vendors for the lowest price on these purchases.

Motion by Ald. Stellato, second by Bancroft to recommend waiving the bid procedure and allow "Spot Buying" of transformers and switchgear on an as needed basis for FY2014/15.

**Voice Vote:** Unanimous; Nays: None; Chrmn. Turner did not vote as Chairman. **Motion carried.**

**b. Recommendation to waive the bid procedure for FY2014/15 ordering gasoline and diesel fuel (bio-diesel) per order on an as needed basis.**

**Mike Shortall:** We are seeking approval to buy fuel on an as needed basis for the fiscal year 2014/2015. We'll seek quotes from at least three vendors for the lowest price on the same day delivery. These purchases will be done by bulk.

Motion by Ald. Stellato, second by Bancroft to recommend waiving the bid procedure and allow gasoline and diesel fuel (bio-diesel) per order on an as needed basis for FY2014/15.

**Voice Vote:** Unanimous; Nays: None; Chrmn. Turner did not vote as Chairman. **Motion carried.**

**c. Recommendation to waive the bid procedure and allow "Spot Buying" of aluminum and copper cable order on an as needed basis throughout FY2014/15.**

**Mike Shortall:** We're seeking approval to spot purchase copper and aluminum cable on an as needed basis for the fiscal year 2014/15. We'll get quotes from at least three different vendors.

Motion by Ald. Stellato, second by Bancroft to recommend waiving the bid procedure and allow spot purchasing of copper and aluminum cable on an as needed basis for FY2014/15.

**Voice Vote:** Unanimous; Nays: None; Chrmn. Turner did not vote as Chairman. **Motion carried.**

**d. Recommendation to award FY2014/15 Hauling/Excavation bid to Koz Trucking, Inc., Medinah, at unit costs provided on the bid results.**

**Mike Shortall:** We are seeking approval to award FY2014/15 Hauling/Excavation bid to Koz Trucking, Inc., Medinah, at unit costs provided on the bid results.

**Voice Vote:** Unanimous; Nays: None; Chrmn. Turner did not vote as Chairman. **Motion carried.**

**e. Recommendation to award 2014/15 low bid to Koz Trucking, Inc. for two (2) base bid types of stone and gravel and eight (8) alternate types.**

**Mike Shortall:** We are seeking approval to award 2014/15 low bid to Koz Trucking, Inc. for two (2) base bid types of stone and gravel and eight (8) alternate types. We had three bids on this item.

**Voice Vote:** Unanimous; Nays: None; Chrmn. Turner did not vote as Chairman. **Motion carried.**

**6. Finance Department**

**a. Recommendation to approve Ordinance Reserving and Authorizing the Transfer of Volume Cap in Connection with Private Activity Bond Issues and Related Matters.**

**Chris Minick:** Enclosed in your packet tonight is an ordinance to Reserving and Authorizing the Transfer of Volume Cap in Connection with Private Activity Bond Issues and Related Matters. Typically the IRS requires that in order to qualify for tax exemption on interest income, a bond issue has to meet certain very stringent criteria. One of those criteria is that typically the debt must be issued for the public good – it cannot enrich or serve to generally profit for a private entity or private activity. However, the IRS does provide that on an annual basis you may set aside a certain dollar amount based on your population for what's known as a private activity bond. Those particular bonds are typically for economic development types of projects and there are some criteria they have to meet in order to qualify for this particular program. But in the event they do qualify – they can then avail themselves of the City's ability to issue tax exempt debt which would result in the lower interest rate for the entity borrowing the funds.

This ordinance is for calendar year 2014 and the amount is set at $100 per capita meaning that we have $3,332,700 of private activity bond cap that we could issue or designate in the event we

received a request to do so. Currently we do not have any pending requests to reserve or utilize this cap, but we do reserve it on an annual basis. If we do not reserve it by May 1st, it automatically reverts to the State of Illinois. We typically will retain it in case we get a request to utilize it at some point in the calendar year. There have also been instances where other communities have made a request to the City for private activity cap to be utilized for an activity they may have within their jurisdictions. Typically what happens is there is a fee that goes along with selling them that activity cap. Passage of the ordinance as it's enclosed in the packet tonight essentially reserves that volume cap for the City and reserves our ability to utilize it as we see fit for the calendar year 2014. I'd be happy to answer any questions you have.

**Chairman Turner**: I know in the past we have sold this by the end of the year, but at this point we are going to reserve it for ourselves?

**Chris**: Correct, if we don't take any activity on this, it automatically reverts to the state of Illinois as of May 1, so we need to take action to reserve it.

**Chairman Turner**: Thanks Chris. Vote for approval.

Motion by Stellato, second by Lemke to approve Ordinance Reserving and Authorizing the Transfer of Volume Cap in Connection with Private Activity Bond Issues and Related Matters.

**Voice Vote:** Unanimous; Nays: None; Chrmn. Turner did not vote as Chairman. **Motion Carried.**

**7. Police Department**

**a. Recommendation to approve a Resolution to Extend the Intergovernmental Agreement with the County of Kane for Animal Control Services for One Year.**

**Interim Chief Huffman:** Last year we entered into an intergovernmental agreement with Kane County for Animal Control Services. The agreement was for a one-year period and it expires this April 30. In the agreement there is a provision for two one-year renewal periods. We are asking for approval of a resolution to extend that agreement with the county for one more year.

**Ald. Lewis**: Could you explain what some of the animal control services are?

**Chief Huffman**: Animal Control Services include stray dog pick up, occasional wild animals that we'll approve for them to pick up in the humanitarian interest. Mostly they deal with stray dogs within the city.

**Ald. Krieger**: I was at my vet today and they mentioned that when they have people calling in that "have this 'stray dog' and what do I do with it?" They recommend they call Animal Control and Animal Control is always asking for money to come out and pick up the animal. They want to know why are we paying Animal Control and why aren't they providing the service to a resident without a fee?

**Chief Huffman**: Animal Control will charge a fee if the dog is not claimed. They do everything they can to find the owner of the dog, and then the owner of the lost dog has to pay the fee. We do pay these costs which have been drastically reduced from years' past; they've been cut in half. We are judicious about authorizing which animals get picked up realizing that we may have to pay for that. A lot of times the dogs are found on the street, not necessarily in someone's yard. In the interest of saving the dog, many times people will stop and rescue that dog especially if they have dogs themselves, they will call us or call Animal Control because now they don't know what to do with the dog. Short of Animal Control services we really would have no option for our residents who did the right thing and saved the animal on the street. They'd be stuck with it.

**Ald. Krieger**: The residents get stuck with the bill.

**Chief Huffman:** If they lost their dog. The residents don't pay Animal Control if the dog is found within city limits of St. Charles. That's what our intergovernmental agreement is about.

**Ald. Krieger:** I heard differently today. I'll have them check with you

**Chief Huffman:** Yes please have them call me and we can discuss it. Rita?

**Ald. Payleitner:** It's my understanding that it's a per usage charge so that probably is where the confusion comes in. We don't pay a fee.

**Chief Huffman**: That's correct, Animal Control will not pick up a stray animal from a resident without getting authorization from the Police Department first. And then it is a pay per use.

Motion by Stellato, second by Bancroft. **Voice Vote:** Unanimous; Nays: None; Chrmn. Turner did not vote as Chairman. **Motion carried.**

**8. Executive Session - None**

- Personnel
- Pending Litigation
- Probable or Imminent Litigation
- Property Acquisition
- Collective Bargaining
- Review of Minutes of Executive Sessions

**9. Additional Items**

**Chrmn. Turner:** Under additional items the Mayor will discuss a situation with a Class B Liquor License for Dawn's Beach Hut.

**Mayor Rogina:** Thank you Mr. Chairman. I'm here to introduce Dawn Humer the proprietor of Dawn's Beach Hut, a fine long-standing liquor licensee in our community. I've invited her tonight to present some data and information that she would like to refer to.

As a basis of backdrop, she and I have had a long conversation in my office regarding the recently adopted new liquor ordinance. The analysis she will give to you is correct in respect to the fees being charged to her as opposed to any other liquor licensee that has entertainment in a classification.

**Dawn Humer 12890 Rock Creek Circle, Huntley, IL:** I own, operate, manage and bartend Dawn's Beach Hut at 8 N 3rd Street here in downtown St. Charles for the past 5-1/2 years. It's very small –26 seats, about 500 square feet and it's a tropically themed Florida Keys beach bar specializing in tropical drinks. I am very proud in those 5-1/2 years that I have not had one single police call or one liquor violation. NOT ONE in 5-1/2 years. I am here today because of the extreme hardship imposed upon me because of the new liquor control ordinance structure. Currently being small with no entertainment, I have a B2 license at a cost of $1600.
In order to survive, I need to retain my 2 a.m. closing time, which will make my new license $3500. That's a $1900 increase which is a 120 % increase - more than double. That's just to retain my current hours. Currently the large bars around me with entertainment have a $2600 liquor license. Under the new structure to retain their hours, they will also need to pay $3500 as well. They have a $900 increase which amounts to 35%. To sum it up the large bars around me are getting a 35% increase, while I, a tiny place with an excellent conduct record, receives a 120% increase. At the very least, I believe I should get a 35% increase like those around me. My very small business cannot sustain at 120% increase. I love St. Charles. I love the people of St. Charles. They are some of the nicest people that I have dealt with in any of my five businesses and I want to stay in St. Charles. So I am asking you to please revisit this issue. I need your help now with this renewal. In closing, I applaud the City's idea of late night permits to control problems. However, I believe they should be based on merit, not money. If the true goal is to reduce problems, then late night permits should be a privilege awarded to those who with good behavior and conduct; not denied because one cannot afford it.

With my excellent record and reputation, please do not deny my late night permit because I cannot afford it. All I am asking for is that my increase be limited to 35% like those around me. Please take the time to revisit this issue. Thank you.

**Chrmn. Turner:** I'd like to say up front there are two issues here: Dawn's concern, but in the last two months we have passed ordinances regarding the late night closing. My concern is do we have an ordinance or do we not have an ordinance? I'd like to have a consult with the committee and have them address that issue first. Dan would you like to start?

**Ald. Stelatto**: Yes, first I'd like to ask some questions to find out what's really going on here. Have there ever been any other issues brought up about this ordinance?

**Ald. Payleitner:** Prior to the passing of the ordinance, we have had two licensees and one citizen came before us prior to the passing.

**Ald. Stellato:** And is there any other situation out there like Dawns where there is a small operator who would have to pay that large of an increase? Is this the only exception?

**Ald. Lewis**: I would think there are all different seating capacities. Every establishment has a different capacity.

**Ald. Stellato:** Refresh my memory then. The ordinance is based on closing times. The entertainment issue is not part of the fee structure, just the timing of when the establishment closes; either midnight, 1:00 a.m. or 2:00 a.m. correct?

**Chrmn. Turner:** That is correct.

**Tina:** Yes, taking effect May 1.

**Mayor Rogina:** Dawn does have a unique situation as the only B2 to stay open until 2:00 a.m.

**Dawn** – I cannot only stay open until 1:00 a.m. I must be open until 2:00 a.m. I cannot do without that income. I have handled my hours very responsibly. Ask the police chief. I am no problem whatsoever. I am before you fighting for my life here. This is a huge increase. I have 26 seats – I just don't take in that much money.

**Ald. Payleitner**: I am very sympathetic to your situation, Dawn. I am wondering where you were in this process. I would have loved to have heard this argument while we were writing the ordinance and going through that process.

**Dawn**: I am a one-person operation and I am there all the time. Here we are on St. Patrick's Day and my business is closed. Anyone who knows my place knows I am always there.

**Ald. Payleitner:** I'm just saying an email, anything.

**Dawn** – Immediately when I found out about this at the January 23rd meeting I spoke up.

**Ald. Payleitner:** That's my concern. There are proprietors out that who aren't aware what's going on when we have public meetings, agendas are posted, there are newspaper articles – and nobody came.

**Dawn:** I never received a noticed about any meeting.

**Ald. Payleitner:** It was a public notice. I would think if a liquor license is a part of your business that licensees would be aware of what is going on. It's been a top story for a long time.

**Dawn**: Yes it has been and I have been to a few of the meetings and it's been going on for quite a long time on what to do. I just couldn't devote that much time.

**Ald. Payleitner:** That's what I am saying. I'm broken hearted about hearing about this now after the fact that the ordinance has been done. Maybe we can take all this information and revisit it in another year.

**Dawn:** Well that doesn't do me much good.

**Ald. Payleitner:** Well let's see what the Mayor has to say on what action we can take now that the ordinance has been set. I mean we have gone through the process and had at least four meetings open for comments. We can't be responsible for you not knowing about it; you understand that right?

**Dawn:** I just don't understand why this is based on money and not on merit.

**Mayor Rogina:** It's my recommendation that on May 1 it's a new school year and everyone's going to be granted the permit they request. To your point about it being based upon money; I made it clear at several meetings (and the one you attended) that the price tag for a 2:00 a.m. permit was set with the idea there would be a large value based on staying open until 2:00 a.m. The licensees are certainly aware of the value and will try to protect it if they want to stay open until 2:00 a.m. The 1:00 a.m. closing which you cannot accept is substantially less and I accept that.

**Dawn** – Meanwhile these larger bars and restaurants with multiple police calls, multiple liquor violations, etc. can afford to pay for a late nigh permit. We need to cut down on the problems.

**Ald. Payleitner:** The new ordinance gives us the freedom to pull those permits. This year those permits can be pulled any time if it's justified. It's not that they are good for a whole year. That was the whole idea that we could have the ease of pulling the permits. There is no way we would have known this would be a hardship to you unless you came and told us.

**Chrmn. Turner**: Maureen, do you have a comment?

**Ald. Lewis:** I am in concurrence with Ald. Payleitner. We are between a rock and a hard place and I can certainly see both sides. We did start discussing this in August and September, and again in October, November, December and January; to be here now in March hearing this is going to be a hardship is after the fact. We do have a new ordinance and if we start changing it now before we even put it into place it sends kind of a strange message. We'll have other people coming up saying the same thing. What would you want us to do with them when they say this is a hardship and I need to have my fees reduced?

**Dawn**: I understand your point that you wish I would have come sooner.

**Chrmn. Turner**: Are there any more comments? Ald. Martin?

**Ald. Martin:** Dawn, you can be commended for having a superb record, however, I recall when you came for your license at the very beginning, our comments were "It's too small to really have a valid liquor license." Why would a place that's only 500 sq ft want a liquor license? It was granted anyway. Now you come back and say you're so small that you can't afford it. That doesn't cut it. You tell us you have 26 seats in there but all it takes is one seat to leave your

place and kill someone with his car, so what difference is it between a 300-seat place and your place. They're still capable of killing someone with that car – let's pay the price.

**Chrmn. Turner:** I get a sense from the committee that we're gonna stick by this ordinance, at least for a year.

**Dawn** – OK can I ask for another thing? Is it possible to break this into payments then?

**Mayor Rogina:** We can always have further conversation about this. We will always listen to our licensees and business owners in respect to that particular question.

**Dawn:** OK well, I thank you for taking the time to listen but I have to be honest with you I am very disappointed in the result of this meeting.

**Mayor Rogina:** Ald. Payleitner may have hit the nail on the head when she said the purpose of this revision here is to say to the licensees "Do a good job, work with us as the City Council. Violate the rules and we are in a position to make adjustments to your permit. (1:00 a.m./2:00 a.m.) With all due respect to your good record, I agree with Ald. Martin's point that we are putting everyone now on a level playing field.

You have two choices: stay the course and review this in a year, or direct staff to make revisions.

**Ald. Martin:** I move we take no action.

**Roll Call:** Ayes: Bessner, Lewis, Stellato, Silkaitis, Payleitner, Lemke, Bancroft, Martin, Krieger; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

**Chrmn. Turner:** We will take no action and review the ordinance in one year. Any other comments or action? If not I'll accept a motion to adjourn

## 10. Adjournment

Motion by Ald, Stellato, second by Bancroft to adjourn meeting at 8:10 p.m.

**Voice Vote:** Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**