



CITY OF CRYSTAL LAKE
AGENDA
CITY COUNCIL
REGULAR MEETING
City of Crystal Lake
100 West Woodstock Street, Crystal Lake, IL
City Council Chambers
April 16, 2019
7:30 p.m.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Approval of Minutes – April 2, 2019 Regular City Council Meeting**
5. **Accounts Payable**
6. **Public Presentation.**
The public is invited to make an issue oriented comment on any matter of public concern not otherwise on the agenda. The public comment may be no longer than 5 minutes in duration. Interrogation of the City staff, Mayor or City Council will not be allowed at this time, nor will any comment from the Council. Personal invectives against City staff or elected officials are not permitted.
7. **Mayor's Report**
8. **City Council Reports**
9. **Consent Agenda**
 - a. **Downtown Crystal Lake Main Street – Johnny Appleseed Festival and Great Ball Race – Special Event Request.**
 - b. **McIntyre – 103 Virginia Street- Outdoor Sale of Birdhouses – Special Event Request.**
 - c. **Hermosa Gardens – 4202 Three Oaks Road – Annexation Referral.**
10. **Immanuel Lutheran Church – Carnival and 3 on 3 Tournament, May 24, 2019 through May 27, 2019 – Special Event Request.**
11. **City Code Amendment to Increase Number of Class 5 Liquor Licenses from 0 to 1 – ML Beverage LLC, Crystal Lake Holiday Inn - 800 S. Illinois Route 31.**
12. **City Code Amendment to Increase Number of Class 24 Liquor Licenses from 1 to 2 and grant a Variation of Section 329-5 (X)(i) to allow alcoholic beverages to be served in an open unroofed area within 100 feet of land zoned for residential purposes – 815 Chophouse, 394 W. Virginia Street.**
13. **Steinhafel's, 5846 Northwest Highway - Retailer Job Creation and Investment Grant.**
14. **Bid Award – 2019 Sidewalk and Curb/Pedestrian Ramp (ADA) Installation Program.**
15. **Bid Award - 2019 Sidewalk Saw Cutting Program.**
16. **Bid Award – Unleaded Gasoline and Diesel Fuel.**
17. **Bid Award – 2019 Street Sweeping-Municipal Partnership Initiative.**

18. **Public Hearing; Ordinance approving and adopting the Annual Budget for the 2019/2020 Fiscal Year; Salary Ordinance for the 2019/2020 Fiscal Year; Ordinance amending Chapter 515, Water and Sewer, of the City Code, Ordinance Amending Chapter 467, Taxation, of the Crystal Lake City Code imposing an Electricity Tax, An Ordinance Amending Chapter 467, Taxation, of the Crystal Lake City Code imposing a Municipal Gas Use Tax and approving and authorizing the City Manager to execute an Agreement with Northern Illinois Gas Company, d/b/a Nicor Gas Company, for Municipal Gas Use Tax Collection, Adoption of a Resolution adopting the 2019/20 through 2023/24 Capital Improvement Program, and Five-Year Financial Plan, Resolution authorizing the Vehicle Leasing and Replacement Program for the 2019-2020 Fiscal Year, and a Resolution withdrawing from membership in the Northwest Municipal Conference.**
19. **Council Inquiries and Requests.**
20. **Adjourn to Executive Session for the purpose of discussing matters of pending and probable litigation, the sale, purchase or lease of real property, collective bargaining and personnel.**
21. **Reconvene to Regular Session.**
22. **Adjourn.**

If special assistance is needed in order to participate in a City of Crystal Lake public meeting, please contact Melanie Nebel, Executive Assistant, at 815-459-2020, at least 24 hours prior to the meeting, if possible, to make arrangements



Agenda Item No: 9a

City Council Agenda Supplement

Meeting Date: April 16, 2019

Item: Downtown Crystal Lake/Main Street Special Event for the Johnny Appleseed Festival and Great Ball Race

Recommendation: Motion to approve the 2019 Johnny Appleseed Festival and Great Ball Race events, pursuant to the recommendations listed below, and waive the application fee (\$50).

Staff Contact: Michelle Rentzsch, Director of Community Development

Background: The applicant has applied for a Special Event for the 27th annual Johnny Appleseed Festival on Saturday, September 28, 2019, from 9:00 a.m. to 4:00 p.m. City Council approval is required because the applicant is requesting permission to close off Brink Street between Williams and Main Streets from 2:00 p.m. to 3:30 p.m. for the 18th annual Great Ball Race and close the Brink Street Market parking lot until 5:00 p.m. (please see the attached site plans). The event also includes a Craft Fair as well as a Food Court/Entertainment area at Depot Park and adjacent parking lot.

This year's event would be very similar to previous years' events and would include demonstrations and entertainment, food vendors, crafts, pony rides, a pumpkin train, pumpkin bowling, an apple ride, a giant slide, mini Ferris wheel, climbing tower, and a petting zoo. Horse-drawn wagon rides would be given that would circle the block that includes the Brink Street Market. One change this year is the relocation of the Craft Fair to the Depot parking lot. For the Great Ball Race, brightly colored and numbered plastic balls would be rolled down Brink Street from their starting point at Williams Street to their ending point before Main Street. Also, the Farmers' Market, which is held every Saturday in the Depot Park, will be relocated to the parking lot at Brink and Grant Streets for this day only.

If the request is approved, staff recommends the following conditions:

1. The approval is valid on Saturday, September 28, 2019. The closure of Brink Street from Williams Street to Main Street is permitted from 2:00 p.m. to 3:30 p.m. The closure of the Brink Street Market parking lot is permitted from 9:00 a.m. until 5:00 p.m.
2. The event must be in accordance with the attached site plan, with the exception of both alleys east of Williams Street and the Marathon gas station driveways must remain clear at all times. Begin temporary closure of Williams Street east of the alley entrances and

end the closure WEST of the gas station driveways. Any additional changes to the site plan must be provided prior to the inspection by the Fire Prevention Bureau.

3. The Farmers' Market at the Grant Street parking lot must keep displays, tables, tents, etc. off the bioswale along Brink Street. Please keep all foot traffic off the bioswale area and ensure that all trash is picked up from the parking lot, as rainwater will cause debris to flow from the pavement surface into the bioswale.
4. All electrical must comply with the 2017 National Electric Code and is subject to an inspection prior to starting the event.
5. A standard Hold Harmless agreement between Downtown Crystal Lake/Main Street and the City, including insurance coverage covering these events, is required.
6. The applicant must contact the Crystal Lake Police Department to coordinate parking and traffic procedures.
7. Promotional and informational banners and signage are approved via this approval. Please contact the Building Division regarding the details of the signage to be used in conjunction with the event. Signs cannot obstruct the view of traffic or be attached to utility poles.
8. No liquor service is allowed at the event.
9. The applicant is responsible for obtaining all necessary McHenry County Health Department permits.
10. All outside vendors must be approved by Downtown Crystal Lake Main Street at least 7 days prior to the event (September 20, 2019).
11. The applicant must provide adequate trash receptacles, which need to be emptied on a regular basis throughout the event, and following post-event cleanup. Downtown amenities and landscaping must be properly maintained and/or restored to their original condition, as necessary. Waste materials in/under and within 30 feet of all tents/canopies need to be stored in approved containers. (Garbage cans must be provided for waste.)
12. The event organizer must schedule a meeting with the Fire Prevention Bureau at least one week prior to the event by calling 815-356-3640 regarding cooking and other requirements for tents and canopies. Canopies/tents must be adequately anchored using sand, water, concrete, or guide lines. No drilling stakes into the concrete or asphalt. Cooking tents/canopies must be of a flame-resistant material, or treated as such. No smoking is allowed in or under any tents/canopies. A portable fire extinguisher(s) must be present under tents/canopies.
13. Provide approved access for emergency vehicles to gain entry to the event as well as maintain access to the existing structures. This must include a minimum 20-foot access in the parking areas serving the alley to the rear of Williams Street and the Brink Street lot near the Raue Center. Access to both alleys east of Williams Street and the Marathon gas station driveways must remain clear at all times. Any barricades used must be easily moveable for emergency access.
14. If the sidewalks cannot accommodate the pedestrian traffic sufficiently and people are using the streets, consideration to close the roadway to traffic should be made. The decision to close the roadway would be made by the on-duty police patrol supervisor and the event organizers.
15. Pre-event advertisements and event-day signage should direct motorists to the commuter lots for parking.
16. The petitioner must erect approved barricades and advance-warning signs for the temporary closure of Brink Street during the hours of 2:00 and 3:30 p.m. only. These signs and barricades must only be in place during the approved time for the road closure.

17. Restrict parking in the three Brink Street Z-lots until after 3:30 p.m. or provide temporary signs at these spaces noting that vehicles cannot be moved out of this area between the hours of 2:00 p.m. and 3:30 p.m.
18. Temporary pedestrian crossing warning signs at the intersection of Brink Street and Grant Street must be provided. Contact the Public Works Department for these signs.
19. Any vendors must be located off all roadways and parking areas that are not approved for closure.

This year, as in previous years, the Police Department will have a presence at the event but only as community liaisons. They will also have a squad car there. In the past, there has been no police assistance for this event. The Downtown Main Street has requested that the \$50 application fee be waived, as has been approved in previous years.

The applicant has been made aware of these recommended conditions and advised to attend the April 16, 2019 City Council meeting to answer any questions.

Votes Required to Pass: A simple majority vote.



Agenda Item No: 9b

City Council
Agenda Supplement

<u>Meeting Date:</u>	April 16, 2019
<u>Item:</u>	Special Event request for the outdoor sale of birdhouses at 130 Virginia Street.
<u>Recommendation:</u>	City Council's discretion: A. Motion to approve the Special Event for outdoor sales of birdhouses at 130 Virginia Street for April through October 2019, pursuant to the recommendations listed below. B. Motion to deny the applicant's request.
<u>Staff Contact:</u>	Michelle Rentzsch, Director of Community Development

Background: Last year, the applicant received approval from the City Council to sell bird houses daily from April through October. Last year, the City received many inquiries from businesses wanting to put up temporary signage for their own business (off-premise sign) and complaints from residents about these signs cluttering the roadways. In Section 4-1000 of the UDO, off-premises signs are prohibited as well as signs in the right-of-way that are not traffic control signage. The recommended conditions below suggest a restriction on signage this year to address this concern.

One of last year's conditions of approval was for the applicant to provide verification that Crystal Lake is the point of sale. He has provided his Illinois Business Authorization Certificate of Registration and the sales information has been verified by the Finance Department.

For 2019, the request is again for every day from April 17 through October 31, 2019 from 9 a.m. to 5 p.m. Sales would likely not take place every single day but the request is to allow the opportunity for additional dates for sales, if he is available.

The outdoor sales of these homemade birdhouses would be conducted on the vacant lot next to The Freeze at 130 Virginia Street, potentially for every day from April 17th through October 31st. The applicant has permission from the owner of the lot.

If the request is approved, the following conditions are recommended:

1. The approval is valid daily from April 17 through October 31, 2019 from 9 a.m. to 5 p.m.
2. Temporary Signs

- A. A banner is permitted on-site during the sale days and times only. The banner sign must be no larger than 32 square feet and not in the right-of-way. No additional signs (ie directional signs, off-premise signs) are permitted.
- B. The banner sign cannot obstruct the view of traffic or be attached to utility poles.
- C. No directional signage is permitted in residential neighborhoods or along public right of-ways.
3. The purveyor is responsible for site clean-up, with all garbage removed at the end of each selling day.
4. Pedestrian ways must not be obstructed.
5. If a Tent/Canopy is to be used, it must comply with the following:
 - A. No smoking is permitted in or under any tents or canopies.
 - B. Enclosed tents shall be 20 feet from all buildings and other tents/canopies tents open on all sides are required to be 12 feet away from any structure.
 - C. The tents must be properly anchored.
 - D. No open flame, fire or heat, or any flammable or combustible liquids, gas, charcoal, or other cooking devices are permitted inside of or within 20 feet of any tent or canopy.
 - E. A portable fire extinguisher shall be present.
 - F. Inspection from the Fire Rescue Department for any tents/canopies must be completed prior to the sale being opened to the public.
6. Outdoor sales associated with this approval are restricted to 130 Virginia Street. No outdoor sales may occur on any other lot (commercial or residential) within the City limits without amending this approval.
7. Provide proof that Crystal Lake has been documented as the point of sale for bird house sales from this location.

The applicant has been made aware of these recommended conditions and advised to attend the April 16, 2019 City Council meeting to answer any questions.

Votes Required to Pass:

A simple majority vote.



Agenda Item No: 9c

City Council
Agenda Supplement

Meeting Date: April 16, 2019

Item: Annexation Referral Hermosa Gardens 4202 Three Oaks Road

Recommendation: Motion to refer the petitioner's request to the May 15, 2019 Planning & Zoning Commission meeting for zoning consideration and to the June 4, 2019, City Council meeting for the annexation public hearing.

Staff Contact: Michelle Rentzsch, Director of Community Development
Katie Cowlin, Assistant City Planner

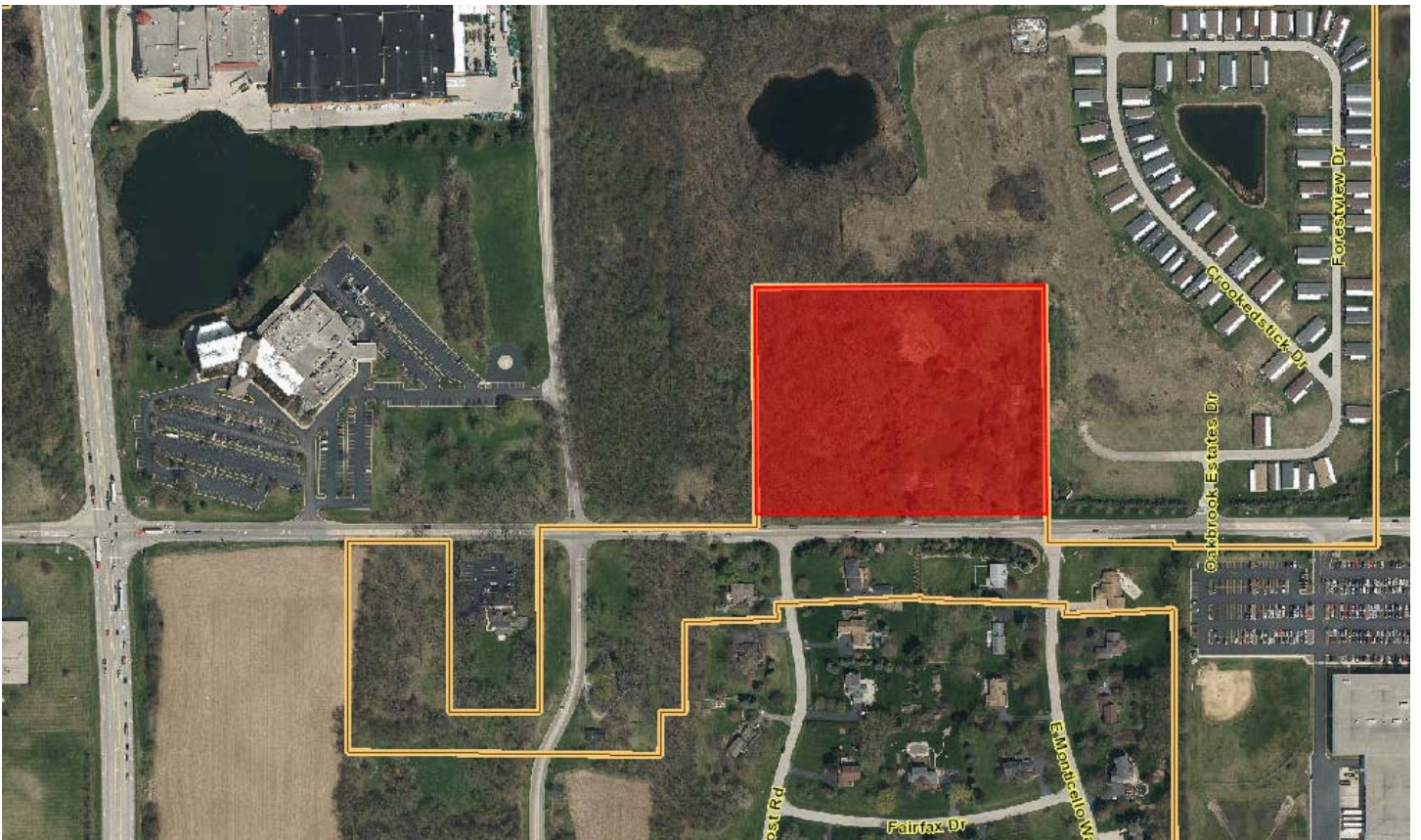
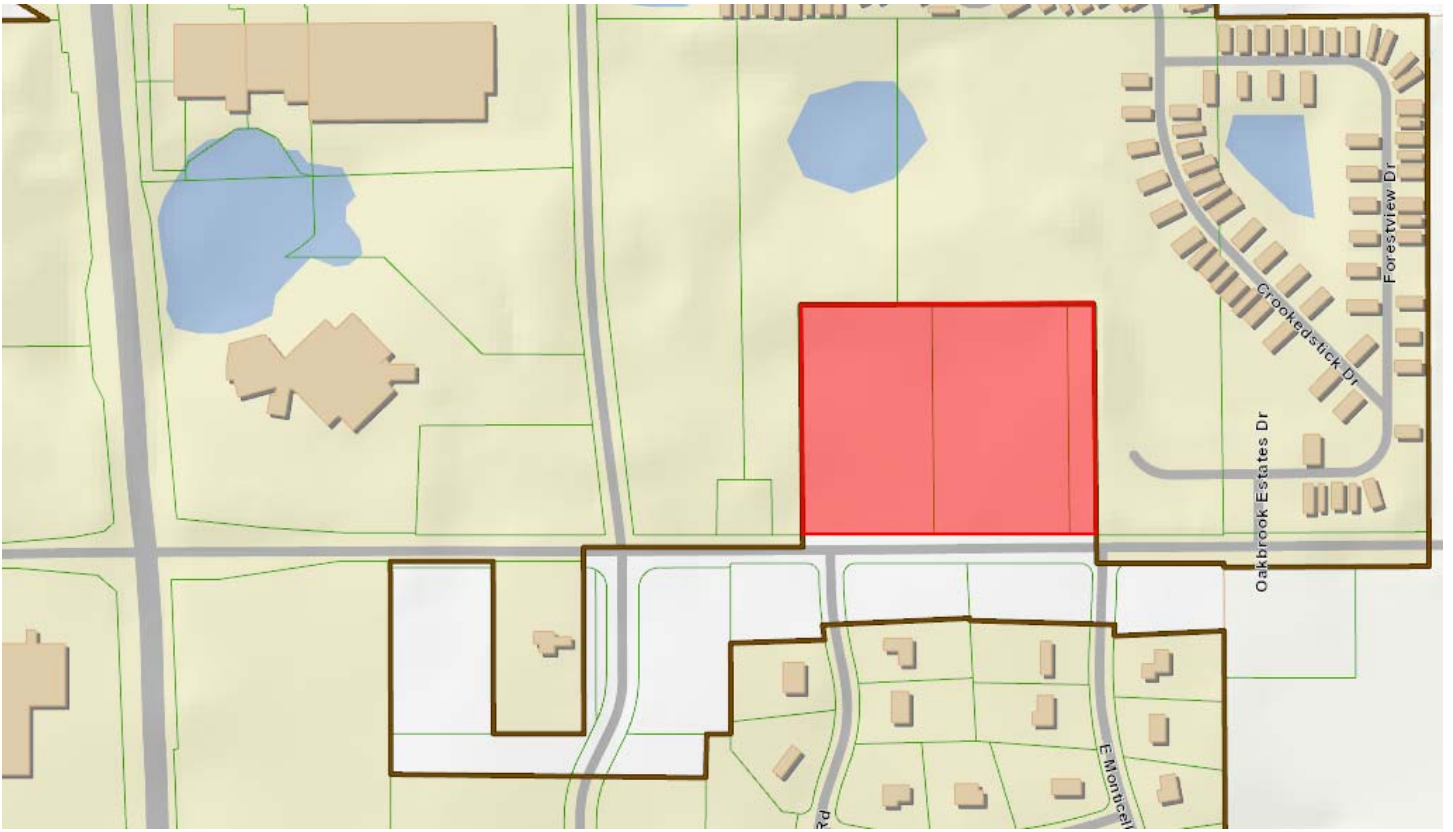
Background: The petitioner is requesting annexation of three parcels that total approximately 9.5 acres, located on Three Oaks Road. The parcels are improved with a vacant residential home.

The proposed development consists of 16 duplex units and 29 townhome units, which would be a rental community. The proposed plan also illustrates one commercial building that would house the offices for the development and property management team.

The petitioner respectfully requests that this matter be referred to the May 15, 2019, Planning & Zoning Commission meeting for zoning consideration and the June 4, 2019, City Council meeting for the annexation public hearing.

Votes Required to Pass: A simple majority vote.

PLN-2019-00013 Hermoda Gardens - 4202 Three Oaks Road





Agenda Item No: 10

City Council Agenda Supplement

<u>Meeting Date:</u>	April 16, 2019
<u>Item:</u>	Immanuel Lutheran Church 3 on 3 Basketball Tournament and Carnival Special Event.
<u>City Council Discretion:</u>	Motion to approve issuance of the Special Event for the 3 on 3 Basketball Tournament and Carnival at Immanuel Lutheran Church, 300 S. Pathway Court, pursuant to the recommended conditions below.
<u>Staff Contact:</u>	Michelle Rentzsch, Director of Community Development

Background:

Immanuel Lutheran Church is proposing a Memorial Day Weekend Special Event that would include a 3 on 3 Basketball Tournament and Carnival that would be held on Friday, May 24, 2019 through Monday, May 27, 2019. This is the first year for this event. The daily schedule of the event is:

- Friday, May 24: 4:00 p.m. to 10:00 p.m.
- Saturday, May 25: 1:00 p.m. to 10:00 p.m.
- Sunday, May 26: 1:00 p.m. to 5:00 p.m.
- Monday, May 27: 1:00 p.m. to 8:00 p.m.

This event is to rally together and care for military veterans and their families who have suffered injuries and illnesses as a result of combat, as well as Vietnam veterans over the Memorial Day weekend. All net proceeds will be donated to the Semper Fi Fund, which is a 501c3 charity for all military branches.

Special Event

The application has been reviewed and the following conditions are recommended:

1. Comply with all City Code regulations pertaining to the request.
2. Comply with all of the Carnival License requirements.
3. All carnival operators must be in compliance with the Illinois Carnival and Amusement Rides Safety Act, which includes requirements for hiring of carnival workers, criminal background checks, substance abuse policy, operator training standards, and penalties for violations. Prior to the event, the carnival operator must provide the Crystal Lake Police

Department with a list of all employees who will work on the premises of the public event, including their legal name, date of birth, home address, and social security number and proof that said employees have undergone the required background checks.

4. Trash must be picked up on a continual basis.
5. There must be sufficient lighting around the portable toilet area.
6. Any lighting must be placed so as not to disturb the neighbors.
7. The event site is subject to a life safety inspection by the Community Development, Fire Rescue, and Police Departments prior to the start of the festival (May 24, 2019).
8. The event is exempt from the City's Noise Ordinance (City Code Chapter 358).
9. The Police and Fire Rescue Departments must be included in any meetings regarding public safety issues.
10. The tent requirements as detailed on the Tent/Canopies Requirements hand-out must be followed. The handout has been enclosed for reference.
11. Generators, if used, must be a minimum of 20 feet from any tents/canopies and protected from the public by fencing, enclosure, or other approved means.
12. Provide male and female accessible restroom facilities.
13. Obtain any necessary approvals from the McHenry County Department of Health.
14. Promotional banners and signage are approved, as detailed in the application for this request.

The applicant has been made aware of these recommended conditions and advised to attend the April 16, 2019 City Council meeting to answer any questions.

Votes Required to Pass:

Simple majority vote



Agenda Item No: 11

**City Council
Agenda Supplement**

Meeting Date: April 16, 2019

Item: City Code Amendment to Increase the Number of Class 5 Liquor Licenses – Applicant: ML Beverage LLC (Holiday Inn Chicago Crystal Lake)

Staff Recommendation: Motion to adopt an ordinance increasing the number of Class 5 liquor licenses from the currently permitted 0 license to 1 license, in order to allow for the issuance of a new Class 5 liquor license to ML Beverage LLC, who is leasing property from the owner of Holiday Inn Chicago Crystal Lake, Remington Hotels LLC.

Staff Contact: Eric T. Helm, Deputy City Manager

Background:

The previous holder of the Class 5 liquor license at the Crystal Lake Holiday Inn was H & R Hospitality LLC, the food and beverage provider leasing space from the owner of the Holiday Inn, Remington Hotels LLC. Since H&R Hospitality is no longer leasing the facility, their Class 5 license has been automatically revoked, and the number of allowable Class 5 liquor licenses has been automatically reduced by one to zero. The new lessee, ML Beverage LLC, has a lease with Remington LLC for food and beverage operations at the Holiday Inn 800 S. Illinois Route 31 in Crystal Lake.

Licenses are non-transferable, thus ML Beverage LLC is requesting the City Council to approve an increase in the number of Class 5 licenses to allow for the continuous operation of the business at the Holiday Inn Chicago Crystal Lake.

The City Code permits the issuance of a Class 5 liquor license for the retail sale, on the premises specified, of alcoholic liquor for consumption, on the premises, as well as the retail sale of alcoholic liquor in the original package between the hours of 11:00 a.m. and 1:00 a.m. Monday, Tuesday, Wednesday, Thursday; 11:00 a.m. and 2:00 a.m. Friday and Saturday; and 10:00 a.m. Sunday and 1:00 a.m. Monday. A Class A type restaurant may be located on the premises.

The annual fee for such a license is \$1,950.00.

The applicant has submitted all of the necessary paperwork. A fingerprint/background search revealed no criminal history under the new applicant's/manager's name.

The following conditions must be met prior to the license being issued:

- Payment of Prorated License Fee
- Surety Bond - \$1,000 Payable to the City of Crystal Lake
- Proof of Liquor Liability Insurance

The Holiday Inn (H&R Hospitality) was the only liquor license holder with a Class 5 license.

The attached ordinance approves an increase in the number of Class 5 liquor licenses in order to allow the owner of Holiday Inn Chicago Crystal Lake to continue to operate under a new license. This ordinance is expressly made subject to the voluntary surrender of the existing liquor license by the current license holder, H & R Hospitality, LLC.

Votes Required to Pass:

Simple majority

DRAFT

Ord. No.
File No. 255 L



The City of Crystal Lake

**AN ORDINANCE AMENDING THE CODE
OF THE CITY OF CRYSTAL LAKE**

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, McHENRY COUNTY, ILLINOIS, as follows:

SECTION I: That CHAPTER 329 LIQUOR LICENSES Section 329-6 Limitations on licenses shall be as follows:

1. Class 5 License shall be increased from 0 to 1.

SECTION II: That this Ordinance shall be in full force and effect from and after its passage and approval according to law.

SECTION III: That all Ordinances and parts of Ordinances in conflict herewith are hereby repealed.

DATED at Crystal Lake, Illinois, this 16th day of April, 2019.

City of Crystal Lake, an
Illinois municipal corporation

Aaron T. Shepley, Mayor

SEAL

ATTEST

CITY CLERK

PASSED: April 16, 2019
APPROVED: April 16, 2019



Agenda Item No: 12

**City Council
Agenda Supplement**

Meeting Date: April 16, 2019

Item: City Code Amendment to Increase the Number of Class 24 Liquor Licenses – Applicant: J&B Northwest Highway, DBA 815 Chop House, 394 W. Virginia Street and approving a variation to Section 329-5(X)(i) for the petitioner to allow for alcoholic beverages to be served in an open unroofed area within 100 feet of land zoned for residential purposes.

Staff Recommendation: Motion to adopt an ordinance:

1. Increasing the number of Class 24 liquor licenses from the currently permitted 1 license to 2 licenses, in order to allow for the issuance of a new Class 24 liquor license to J & B Northwest Highway LLC, DBA 815 Chop House.
2. Approving a variation to City Code Section 329-5(X)(i) for the petitioner to allow for alcoholic beverages to be served in an open unroofed area within 100 feet of land zoned for residential purposes.

Staff Contact: Eric T. Helm, Deputy City Manager

Background:

M Supper Club, formerly located at 394 W. Virginia Street, is now closed and, has sublet their former location to J & B Northwest Highway LLC. M Supper Club surrendered their Class 8 Liquor License upon closing. The new lessee, J & B Northwest Highway LLC, will be opening 815 Chop House, at this location. The applicant is requesting the City Council to approve an increase in the number of Class 24 licenses to allow for the operation of a restaurant at 394 W. Virginia Street.

Chapter 329 Liquor Licenses, Section 329-5 License Classification - Class 24 License which shall authorize the retail sale, on the premises specified, of alcoholic liquor, for consumption, on the premises between the hours of 7:00 a.m. and 12:00 a.m., Sunday, Monday, Tuesday, Wednesday, Thursday, Friday and Saturday. A Class A type restaurant may be located on the premises.

As part of the Class 24 license, the petitioner would be allowed to sell alcoholic beverages in an existing open unroofed area facing U.S. Route 14. The City Code outlines certain conditions that must be met for the sale of alcoholic beverages in an open unroof area, such as a patio. The existing patio does not meet one of the conditions, which requires:

No open unroofed area where alcoholic beverages are served pursuant to this license shall be permitted within 100 feet of land zoned for residential purposes (City Code 329-5-X-(1)).

The 815 Chop House property backs up to residentially-zoned property; therefore, the property line of the restaurant is within 100 feet of residentially-zoned property so they are also seeking an exception from the 100 feet requirement in the liquor license provisions of the City Code to allow use of the existing outdoor patio located at the front of the building adjacent to U.S. Route 14.

The patio was originally constructed in 2011/2012. The restaurant that originally built the patio, the London Club, received this variation from the City Council in April 2012. The current petitioner has not requested an expanded patio area; however, the hours of operation would be expanded from what was approved for M Supper Club and the London Club. The current petitioner is requesting sale hours beginning at 7:00 AM. Previous restaurants had sale hours that began at 11:00 AM (Monday – Saturday) and 10:00 AM on Sunday.



The annual fee for such a license is \$1,950.00.

The applicant has submitted all of the necessary paperwork. A fingerprint/background check is pending.

The following conditions must be met prior to the license being issued:

- Pending Background Check Results
- Payment of Prorated License Fee
- Issuance of a Certificate of Occupancy
- Proof of Lease or Ownership

Benedicts La Strata is the only liquor license holder with a Class 24 license.

Votes Required to Pass:

Simple majority

DRAFT



The City of Crvstal Lake

**AN ORDINANCE AMENDING THE CODE
OF THE CITY OF CRYSTAL LAKE**

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, McHENRY COUNTY, ILLINOIS, as follows:

SECTION I: That CHAPTER 329 LIQUOR LICENSES Section 329-6 Limitations on licenses shall be as follows:

1. Class 24 License shall be increased from 1 to 2.

SECTION II: That this Ordinance shall be in full force and effect from and after its passage and approval according to law.

SECTION III: That all Ordinances and parts of Ordinances in conflict herewith are hereby repealed.

SECTION II: A variation to Section 329-5(X)(i) is approved for 815 Chop House to allow for alcoholic beverages to be served in an open unroofed area within 100 feet of land zoned for residential purposes.

DATED at Crystal Lake, Illinois, this 16th day of April, 2019.

City of Crystal Lake, an
Illinois municipal corporation

Aaron T. Shepley, Mayor

SEAL

ATTEST

CITY CLERK

PASSED: April 16, 2019
APPROVED: April 16, 2019



Agenda Item No: 13

City Council Agenda Supplement

Meeting Date: April 16, 2019

Item: Retailer Job Creation and Investment Grant request for Steinhafels, 5846 Northwest Highway, requesting \$10,000 in matching grant funds.

Recommendations: City Council's discretion:

1. Motion to award \$10,000 in Retailer Job Creation and Investment Grant to Steinhafels, located at 5846 Northwest Highway and to adopt a resolution authorizing the City Manager to execute the Grant Agreement, or
2. Motion to deny the grant application request.

Staff Contact: Michelle Rentzsch, Director of Community Development
Heather Maieritsch, Economic Development Manager

Background: The Retailer and Manufacturer Job Creation and Investment Program was instituted in 2011 as a tool to help attract new or expanding businesses to Crystal Lake. This program provides matching grant funding to new and existing retailers that occupy vacant space, hire new full-time or part-time employees, and/or install eligible furniture, fixtures, and equipment (FFE).

Steinhafels is eligible for a \$10,000 grant award under the matching grant program guidelines. Steinhafel's has occupied the former Kmart space, a 100,000 square-foot tenant space and completed substantial demolition and rehabilitation of this space to create a prime retail location for the furniture store. This matching grant program was discussed with Steinhafel representative during our first conversations with their team and was part of their decision to make Crystal Lake part of their company profile.

Upon approval of the grant by the City Council, the City and applicant will enter into an agreement that includes all stipulations for the grant award. The agreement specifies what documentation must be submitted before payment is disbursed. Additionally, it has provisions to recoup the grant in case the business closes before the required four-year period. The agreement and application are attached.

In order to objectively analyze the applications for funding, eligibility criteria have been established in the Ordinance approving this program. The list below outlines the evaluation of the applicant’s request in relation to our eligibility criteria:

1. The program is open to any new sales-tax generating business that will occupy vacant retail space or a building or that will construct a new building for its business or expand by more than 20% and occupy an existing vacant space.
 Meets *Does not meet*

2. Applicant must meet a minimum annual taxable sales threshold of at least \$150,000.
 Meets *Does not meet*

3. Applicant’s business must provide a stocked retail showroom for retail products.
 Meets *Does not meet*

4. Applicant must provide written proof of façade, fixture, furniture, and equipment (FFE) costs.
 Meets *Does not meet*

5. Applicant must file an application for grant funding prior to commencing improvements.
 Meets *Does not meet*

6. Grant recipient may re-apply after five years from the date of recipient’s previous award.
 Meets *Does not meet*

7. Eligible FFE includes, but is not limited to, shelving, racks, tables, chairs, furniture, point-of-sale systems, fixed computer equipment used in business operation, televisions located in dining rooms or showrooms, office furniture and appliances.
 Meets *Does not meet*

The applicant’s request has been evaluated based on the above eligibility criteria and their planned purchase of FFE. **The application would meet seven of the seven eligibility criteria.**

FUNDING STATUS OF 2018-2019 PROGRAM

For the 2018-2019 Fiscal Year, there is \$80,000 budgeted for the Retailer and Manufacturer Job Creation and Investment Program. This is the second application received this fiscal year for the program, so there are sufficient funds for the grant.

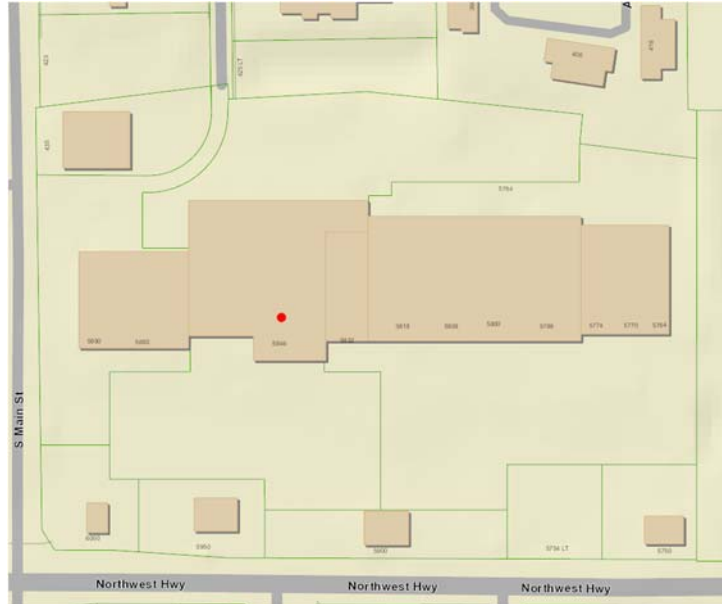
Applicant Name/ Business Name	Address	Total Requested	Date Approved	Amount Approved
Chicago Plastic Systems	161 Virginia Road	\$10,000	12/4/2018	\$10,000
Steinhafels	5846 Northwest Highway	\$10,000		Pending

<i>Totals</i>		<i>\$20,000</i>		<i>Pending</i>
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Votes Required to Pass:

A simple majority vote.

2019-13 Steinhafels 5846 Northwest Highway



DRAFT

Res. 19R- ____



The City of Crystal Lake Illinois

RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the City Manager is hereby authorized and directed to execute an agreement with Steinhafels, for a Retailer Façade and Commercial Tenant Improvement Matching Grant in an amount not to exceed \$10,000.

DATED at Crystal Lake, Illinois, this 16th day of April, 2019.

CITY OF CRYSTAL LAKE, an Illinois
Municipal Corporation

BY: _____
MAYOR

SEAL

ATTEST:

CITY CLERK

PASSED: April 16, 2019

APPROVED: April 16, 2019



Agenda Item No: 14

City Council
Agenda Supplement

Meeting Date: April 16, 2019

Item: 2019 Sidewalk and Curb/Pedestrian Ramp (ADA) Installation Program Bid Award

Staff Recommendation: Motion to award the 2019 Sidewalk and Curb/Pedestrian Ramp (ADA) Installation bid to the lowest responsive and responsible bidder, Strada Construction Company, in the bid amount of \$348,062.05, and adopt a resolution authorizing the City Manager to execute a contract with Strada Construction Company, allowing for a 10 percent contingency.

Staff Contact: Abigail Wilgreen, City Engineer

Background:
On April 3, 2019, the City opened and publicly read the bids received for the Annual Sidewalk and Curb/Pedestrian Ramp (ADA) Installation Program. The City received two bids and the results are tabulated below.

<i>Firm</i>	<i>Amount of Bid²</i>
Strada Construction Company ¹ Addison, IL	\$348,062.05
Chadwick Contracting Company Lake in the Hills, IL	\$351,627.19

¹ Indicates Recommended Lowest Responsive and Responsible Bidder.
² Corrected Bid Amount Based on Submitted Unit Prices with Adjusted Quantities

This program will remove and replace curb and gutter along the streets in the 2019 Street Resurfacing Program that are in need of repair. The City will continue implementing Federal American Disability Act requirements for the approach ramps to crosswalks, which have very specific requirements that must be met for grades and cross slopes.

In addition, the annual sidewalk and curb replacement program is included. Every year, the City's Engineering Division surveys one-quarter of the City and evaluates all of the sidewalks in

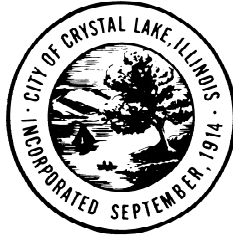
that section of the City. The City also routinely responds to reports of damaged sidewalks and curbs that are received from residents and staff. The City keeps a record of all the damaged sidewalks and prepares a sidewalk repair program annually to repair all of the sidewalks that meet the replacement criteria.

The City has used Strada on past sidewalk and curb programs and was very satisfied with their performance. Specifications were sent to various contractors and standard bid advertisement procedures were followed. This project is included in the Fiscal Year 2019-2020 budget.

Votes Required to Pass:

Simple majority vote.

DRAFT



The City of Crystal Lake Illinois

RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the City Manager be authorized to execute the contract with Strada Construction Company for the 2019 Sidewalk and Curb/Pedestrian Ramp (ADA) Installation in the amount of \$348,062.05. The City Manager is additionally authorized to approve up to 10 percent in justifiable contract amendments from a contingency allowance.

DATED this 16th day of April, 2019.

CITY OF CRYSTAL LAKE, an Illinois
Municipal Corporation

BY: _____
Mayor

SEAL

ATTEST:

City Clerk

PASSED: April, 16, 2019

APPROVED: April 16, 2019



Agenda Item No: 15

City Council Agenda Supplement

Meeting Date: April 16, 2019

Item: 2019 Sidewalk Saw Cutting Program Bid Award

Staff Recommendation: Motion to award the 2019 Sidewalk Saw Cutting Program bid to the lowest responsive and responsible bidder, Safety Services & Assessments in the bid amount of \$59,125.00, and adopt a Resolution authorizing the City Manager to execute the contract with Safety Services & Assessments, allowing for a 10 percent contingency.

Staff Contact: Abigail Wilgreen, City Engineer

Background:

On April 2, 2019, the City opened and publicly read bids received for the 2019 Sidewalk Saw Cutting Program. The City received two bids and the results are tabulated below.

<i>Firm</i>	<i>Amount of Bid²</i>
Safety Services & Assessments (SSA) ¹ Western Springs, IL	\$59,125.00
Hard Rock Concrete Cutters Wheeling, IL	\$61,490.00

¹ Indicates Recommended Lowest Responsive and Responsible Bidder

² Corrected Bid Amount Based on Submitted Unit Prices with Adjusted Quantities

The City has used sidewalk saw cutting as a means of eliminating sidewalk trip hazards due to displacement for the last four years and has been extremely happy with the process and final outcome. The saw cutting process horizontally saws off trip hazards that are displaced, bringing the location in compliance with American Disabilities Act standards. The following table compares sidewalk saw cutting with traditional sidewalk removal and replacement and shows how saw cutting is favorable.

<i>Item</i>	<i>Remove and Replace</i>	<i>Saw Cutting (Machine)</i>
Quicker (Approximate Time Frame)	5-7 days (concrete to cure)	½ hour
Cost Effective (Approximate Cost to Remove One Trip Hazard)	\$200	\$55-\$65
Number of Trip Hazard Removals (assume \$52,000 budget)	260 locations	800-1000 locations
Impact on Trees	Roots need to be cleanly cut	None
Impact on Adjacent Homeowners/Businesses	Sidewalk closed for up to a week	Minimal

Not all trip hazard locations can be eliminated using sidewalk cutting, such as displacements over 2.5 inches and severe cracking or spalling; therefore, full removal and replacement is still necessary at some locations.

Due to advantageous prices, City staff has increased quantities to make additional repairs beyond what was included in the original bid. The City has never used Safety Services & Assessments as a contractor. City staff contacted the references provided by the contractor, and they were satisfactory. This project is included in the proposed Fiscal Year 2019-2020 Budget.

Votes Required to Pass:

Simple majority vote.

DRAFT



The City of Crystal Lake Illinois

RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the City Manager be authorized to execute the contract with Safety Services & Assessments, for the 2019 Sidewalk Saw Cutting Program in the amount of \$59,125.00. The City Manager is additionally authorized to approve up to 10 percent in justifiable contract amendments from a contingency allowance.

DATED this 16th day of April, 2019.

CITY OF CRYSTAL LAKE, an Illinois Municipal Corporation

BY: _____
Mayor

SEAL

ATTEST:

City Clerk

PASSED: April 16, 2019

APPROVED: April 16, 2019



Agenda Item No: 16

**City Council
Agenda Supplement**

Meeting Date: April 16, 2019

Item: Unleaded Gasoline and Diesel Fuel Bid Award

Staff Recommendation: Motion to award the bid to provide unleaded gasoline and diesel fuel to the lowest responsive and responsible bidder, Gas Depot, and adopt a resolution authorizing the City Manager to execute a one-year contract with Gas Depot, with the option to extend the agreement for one additional year in the amounts bid.

Staff Contact: Michael Magnuson, Director of Public Works

Background:

On April 4, 2019, the City of Crystal Lake publicly opened the bids received for a one-year contract for unleaded gasoline, diesel fuel, winter additive, and optional off road fuel for the City's fleet and generators. This bid offers the option for a one-year extension.

The annual contract is based on a per-gallon fee for delivery of the fuel. The actual cost of the fuel is based on surcharges to the low-rack posting price per gallon as published in the Oil Price Information Service (OPIS) price listing for the Chicago market on the day of each fuel delivery.

The following is a breakdown of the bids received:

	Year 1				Year 2			
	Gasoline	Diesel Fuels	Winter Additive	Option (Off Road ULSD #1 & #2, red dyed)	Gasoline	Diesel Fuels	Winter Additive	Option (Off Road ULSD #1 & #2, red dyed)
✓ Gas Depot Morton Grove, IL	0.0265	0.0285	0.0175	0.1800	0.0265	0.0285	0.0175	0.1800
Petroleum Traders Fort Wayne, IN	0.0475	0.0625	0.0200	No Bid	0.0475	0.0625	0.0200	No Bid
Olson Service Co. Fox Lake, IL	No Bid	No Bid	0.0500	0.4500	No Bid	No Bid	No Bid	No Bid
Mansfield Oil Co. Gainesville, GA	0.2662	0.2942	0.0250	No Bid	0.2662	0.2942	0.0250	No Bid
*Al Warren Oil Co. Summit, IL	0.0450	0.0450	0.0200	0.0450	0.0450	0.0450	0.0200	0.0450

✓ Indicates lowest responsive and responsible bidder

*Bidder did not follow bid specifications and added a \$125 delivery charge per load for Off Road diesel and therefore this bid price is rejected.

Recommendation

The Public Works Department has reviewed all bids received for completeness and accuracy in accordance with the invitation to bid document. An analysis of the fuel bid submittals substantiates that the low bidder for fleet fuel (gasoline and diesel) is Gas Depot. Gas Depot has provided fuel delivery for the City in the past with favorable results. It is the recommendation of City staff to award the bid to the lowest-responsive and responsible bidder, Gas Depot, to provide gasoline and diesel fuel for a one-year contract period with an optional one-year extension to the contract.

Votes Required to Pass:

Simple majority

DRAFT



RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the City Manager is authorized to execute a contract between the City of Crystal Lake and Gas Depot, Inc. for gasoline, diesel fuel, winter additive, and optional off road fuel for a one-year term with an option for a second year in the amounts bid.

DATED this 16th day of April 2019.

CITY OF CRYSTAL LAKE, an Illinois Municipal Corporation

BY: _____
MAYOR

SEAL

ATTEST:

CITY CLERK

PASSED: April 16, 2019

APPROVED: April 16, 2019



Agenda Item No: 17

**City Council
Agenda Supplement**

Meeting Date: April 16, 2019

Item: 2019 Street Sweeping-Municipal Partnership Initiative

Staff Recommendation: Motion to award the bid for street sweeping to the lowest responsive and responsible bidder, Lakeshore Recycling Systems and adopt a resolution authorizing the City Manager to execute a one-year contract with Lakeshore Recycling Systems for street sweeping services in the amounts bid.

Staff Contact: Michael Magnuson, Director of Public Works

Background:

The City of Crystal Lake is currently a member of the Municipal Partnership Initiative (MPI). As members of MPI, regional communities collaborate by preparing and soliciting bids for various projects. MPI allows members to combine purchasing power, which enables significant cost reductions. The City of Crystal Lake partnered with the Village of Cary, McHenry County Division of Transportation, and the City of McHenry to solicit bids for street sweeping services. On March 26, 2019, the bids were publically opened. The results for Crystal Lake are as follows:

Company	Street Sweeping City Streets 8 Cycles per Year	Additional Services	Total Bid
✓Lakeshore Recycling Systems Morton Grove, IL	\$195,600	\$5,100	\$200,700
Waste Management of Illinois, Inc. Antioch, IL	\$234,720	\$5,820	\$240,540

✓ Indicates lowest responsive and responsible bidder

In 2018, the City of Crystal Lake contracted street sweeping for the first time. The contractor's performance was not satisfactory, so City staff decided to re-bid with MPI for 2019. Public Works analysis last year indicated that the City's labor and benefit costs for 6 cycles of sweeping per year are approximately \$154,075 (no equipment or fuel costs included). This equates to approximately \$25,679 per sweeping cycle. One public works position was eliminated last year through attrition. The apparent low bidder this year is providing 8 sweeping cycles (2 additional) at a cost of \$24,450 per cycle and includes all labor, equipment, fuel and disposal of swept material. Therefore, contracting of sweeping is more economical.

The requested Street Sweeping Program with Lakeshore Recycling Systems will consist of all City maintained residential streets. The contract provides for the option for sweeping portions of State and County routes and responding to emergencies if needed.

The City currently owns and operates three street sweepers. If the contracting effort becomes successful, Public Works will decrease the number of sweepers down to one. While the routine sweeping activities will be contracted out to Lakeshore Recycling Systems, there will still be a need for Public Works Staff to continue specialized sweeping activities in the downtown (part of the overall downtown maintenance efforts that include sidewalk and parking lots), sweeping related to special events (parades, festivals, etc.) or emergencies (road spills, debris in roadway, etc.). Public Works Staff will ensure that the quality of sweeping remains the same as previous years. Funding has been requested in the fiscal year 2019-2020 Budget.

Recommendation

The recommendation of City staff is to award the contract to the lowest responsive and responsible bidder, Lakeshore Recycling Systems, for street sweeping for the one-year contract period in the amounts bid.

Votes Required to Pass:

Simple majority

DRAFT



RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the City Manager be and he is hereby authorized to execute a one-year contract between the City of Crystal Lake and Lakeshore Recycling Systems for street sweeping services in the amounts bid.

DATED this 16th day of April 2019.

CITY OF CRYSTAL LAKE, an Illinois Municipal Corporation

BY: _____
MAYOR

SEAL

ATTEST:

CITY CLERK

PASSED: April 16, 2019

APPROVED: April 16, 2019



Agenda Item No: 18

City Council Agenda Supplement

Meeting Date: April 16, 2019

Item: Public Hearing, Annual Budget Ordinance, Salary Ordinance, Capital Improvement Program, Five-Year Financial Review, Water and Sewer City Code Amendment, Electricity Tax, Natural Gas Tax, Vehicle Leasing and Replacement Program, and Northwest Municipal Conference withdrawal

Staff Recommendation:

1. Public Hearing for the Annual Budget for the 2019/2020 Fiscal Year.
2. Motion to Adopt:
 - a. An Ordinance approving and adopting the Annual Budget for the 2019/2020 Fiscal Year,
 - b. The Salary Ordinance for the 2019/2020 Fiscal Year,
 - c. A Resolution adopting the 2019/20 through 2023/24 Capital Improvement Program, and Five-Year Financial Plan,
 - d. An Ordinance amending Chapter 515, Water and Sewer, of the City Code,
 - e. An Ordinance Amending Chapter 467, Taxation, of the Crystal Lake City Code imposing an Electricity Tax,
 - f. An Ordinance Amending Chapter 467, Taxation, of the Crystal Lake City Code imposing a Municipal Gas Use Tax and approving and authorizing the City Manager to execute an Agreement with Northern Illinois Gas Company, d/b/a Nicor Gas Company, for Municipal Gas Use Tax Collection,
 - g. A Resolution authorizing the Vehicle Leasing and Replacement Program for the 2019-2020 Fiscal Year, and
 - h. A Resolution withdrawing from membership in the Northwest Municipal Conference.

Staff Contact: Gary J. Mayerhofer, City Manager
George J. Koczwara, Director of Finance/Treasurer
Laura Herrig, Assistant Finance Director

Budget:

The City Council is requested to adopt the budget in accordance with State Statutes, which requires the budget to be adopted prior to the beginning of the Fiscal Year, which begins on May 1, 2019.

On April 2, 2019, the City Council placed on public display, the proposed balanced fiscal year 2019/2020 Budget that maintains the high quality City services offered to residents while allowing for capital investment in facilities and improvements, as well as the development of other initiatives to help establish a solid foundation for the community for years to come.

Despite challenges, the City has worked diligently to present a proposed annual budget that is:

- ✓ Balanced
- ✓ Continues the City's commitment to public safety
- ✓ Continues the City's investment in infrastructure
- ✓ Within the parameters of the City's financial policies

The proposed budget continues the funding of General Fund services without the use of a General Fund property tax.

Budgeted expenditures and other uses for all funds in fiscal year 2019/2020 total \$123,940,686 (including the Library).

Fiscal year 2019/2020 expenditures and other uses are as follows:

- Operating expenditures \$61,788,278
- Sales Tax Incentive Agreements \$365,000
- Debt service \$5,170,792
- Capital lease payments \$925,821
- Capitalized lease costs \$4,129,285 (offset by an equal amount in lease financing revenue)
- Capital expenditures \$30,574,321
- Transfers between City funds \$20,987,189

The difference between expenditures, other uses, revenues and other sources are the planned use of fund balance to provide for improvements to roads and maintenance of water and sewer infrastructure, as well as to fund capital equipment purchases.

Revenues and other amounts available to support the fiscal year 2019/2020 budget are \$112,909,256, an increase of \$28,086,909 or 33.11% from the 2018/2019 fiscal year budget.

Fiscal year 2018/2019 revenues and other sources are as follows:

- Revenues \$76,699,262
- Loan proceeds \$7,789,000
- Bond proceeds \$3,304,520
- Lease financing \$4,129,285
- Transfers between City funds \$20,987,189

The fiscal year 2019/2020 City budget reflects capital expenditures, capitalized lease costs and lease payments of \$35.63 million. In addition to resurfacing and roadway improvements, other major capital expenditures reflected in this budget are:

- Automotive Equipment
- Computer Hardware and Software
- Radio Replacements (Police and Fire)
- Whole Building Intercom System (Municipal Complex)
- Salt Storage Dome
- Fuel Island Replacement
- Sewer Improvements
 - North Shore
 - Pine/Oriole
- Culvert Replacements
 - Barlina Road
 - Broadway Avenue
 - Country Club Road
 - Dartmoor Drive
 - McHenry Avenue
- Storm Water Storage
 - Edgewater (Regrade Kamijima Park)
- North-South Drain Tile Replacement – Design
- Water Main Replacement
 - Route 14 (176 to Crystal Lake Avenue) – FINAL
 - Main Street @ Crystal Lake Avenue
- Water Treatment Plant #2
 - Plant Reconstruction
 - New Deep Well
- Water Treatment Plant #4
 - Motor Control Center, Generator and Transfer Switch Replacement
- Water Treatment Plant #5
 - Iron Filter, Roof, HVAC Replacement
- Wastewater Treatment Plant #2
 - Alum Tank Replacement
 - Redundant UV System (Engineering)
- Wastewater Treatment Plant #3
 - Motor Control Center Replacement (Control Building)
 - Motor Control Center Replacement (Generator Feed)
 - Motor Control Center Replacement (Lift Station #12)
- Primary Effluent Pump Station Rehabilitation
- Lift Station Rehabilitation
 - Lift Station #9
 - Lift Station #14
- SCADA Communication System Upgrade
- Water Delivery Study
- Trash Pump Replacement

With the challenges posed by the economic recovery, a number of adjustments were made to balance the budget. These adjustments include:

Personnel

Since the start of the Great Recession, the City has eliminated a number of positions. Through the 2018/2019 budget, a total of 10.2% of positions have been eliminated through attrition. One additional position has been eliminated in the 2019/2020 budget, bringing the total number of full-time equivalent positions eliminated to twenty-eight and one-quarter positions or 10.56%. None of the eliminated positions were sworn police or firefighter positions.

Insurance

Through concerted efforts and enhancements in the City's risk management program, the City is able to take advantage of very favorable insurance costs. Increases in the City's liability insurance overall are budgeted at 0%.

In an effort to better control health care costs, the City joined the Intergovernmental Personnel Benefit Cooperative (IPBC). The IPBC is an entity created under Illinois State laws, which allows municipal groups to band together for the purposes of health insurance. The IPBC was established in 1979 and includes 130 municipalities or municipal entities as members.

The purpose of the IPBC is to provide economies of scale and risk pooling that will allow members more financial stability than offered by the commercial insurance market. Due to favorable claims experience, no increase in the City's portion of group health insurance costs is anticipated for fiscal year 2019/2020. Increases or decreases beyond 0% in any one department or division reflect changes in plans selected by individual participants (Single to family coverage, family coverage to single plus one coverage, PPO to HMO, etc.).

Capital Expenditures

One-time capital expenditures will be funded using unassigned fund balances coupled with bond proceeds. Bonds shall not be used to finance operating deficits and fund balances shall be maintained in accordance with the City's financial policies.

The fiscal year 2019/2020 budget reflects \$2,300,000 for the City's annual street resurfacing program. Of the \$2,300,000 total, \$1,754,525 will be funded from the General Fund, using a combination of Home Rule Sales Tax and unassigned Fund Balance. The remaining \$545,475 of street resurfacing will come from proceeds from the Township Road and Bridge tax and vehicle sticker proceeds. The annual street resurfacing program, combined with other roadway improvements total over \$5.31 million. Roadway improvements budgeted in the Capital Replacement Fund include:

- Intersection (IL 176/Main) Improvement – ROW Acquisition
- Intersection (IL 176/Main) Improvement - Engineering
- Intersection (US 14/Virginia Rd) Improvement – Construction
- Intersection (Main/Crystal Lake Ave) Improvement – ROW Acquisition
- Intersection (Main/Crystal Lake Ave) Improvement – Engineering
- Roadway (Dole Ave) Reconstruction – Design Engineering
- Erosion Control (McHenry Ave) – Design Engineering

Funds to provide for intersection improvements at Route 176/Briarwood Road, as well as those for roadway improvements along South Main Street have been re-budgeted. These projects are complete; however, the City has not received final construction invoices from the State of Illinois. Streets programmed for resurfacing in fiscal year 2019/2020 are:

	From	To
Blackthorn Drive	Primrose Lane	Terra Cotta Road
Bittersweet Trail	Blackthorn Drive	Blackthorn Drive
Silver Berry Drive	Blackthorn Drive	Terra Cotta Road
Fenimore Road	Juniper Lane	North End
Juniper Lane	Fenimore Road	Forest Drive
Forest Drive	Greenview Drive	Oak Valley Drive
Greenview Court	Greenview Drive	East End
Oak Valley Drive	Forest Drive	Route 31
Grandview Drive	Pingree Road	Greenview Drive
Greenview Drive	Juniper Lane	Oak Valley Drive
Oak Valley Court	Oak Valley Drive	North End
Wimbleton Lane	Barlina Road	Camelot Drive
Camelot Drive	Golf Course Road	Golf Course Road
Camelot Court	Camelot Drive	South End
Camelot Place	Camelot Drive	North End
Manchester Drive	Ackman Road	Amberwood Drive
Manchester Ct	Manchester Drive	Manchester Drive
N. Knollwood	Amberwood Drive	Amberwood Drive
S. Knollwood	Amberwood Drive	Amberwood Drive
Village Road	E. Stone Creek	Golf Course Road
Village Road	801 Village Road	821 Village Road
Nashville Lane	Village Road	Thomasville Lane
Louisville Lane	Nashville Lane	Village Road
Thomasville Lane	Miller Road	Louisville Lane

Financial Stewardship

The City takes its role as financial steward very seriously. The Government Finance Officers Association (GFOA) voted to award the City of Crystal Lake's budget document the Distinguished Budget Presentation Award for the 2018/2019 fiscal year. This award is the highest form of recognition in governmental budgeting. Also this year, the City received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. This is the twenty-ninth year in a row the City has received this award. It is expected that the City will be recognized for its accomplishments in budgeting and financial reporting again next year. Finally, in 2009, Standard and Poor's rated the City for the first time with an AA+ rating. The AA+ rating was affirmed by Standard and Poor's again in 2012, 2013 and 2014.

Salary Ordinance:

Included as part of the adoption of the proposed Annual Budget for Fiscal Year 2019/2020 is the salary ordinance. As in past years, staff has conducted a salary survey. This data is used in the review of the City's non-collectively bargained position classifications. Based on staff's review, the minimum and maximum of the ranges in the proposed salary ordinance were adjusted 3.0%. Non-union employees' ability to receive a raise (from 0% to 3.0%) is based upon their individual performance, or merit, and not cost of living.

Five-Year Capital Improvement Program and Five-Year Financial Plan

The City utilizes two forward looking documents to ensure that the City continues to maintain its financial health.

- Five-Year Financial Plan
- Capital Improvement Plan (CIP)

The Capital Improvement Plan and the Five-Year Financial Plan are guiding documents used to ensure that the City systematically proceeds with continuing to provide first class public services. They also provide important data points that guide both expenditure and revenue options. The adoption of the Capital Improvement Plan and the Five-Year Financial Plan is not an approval of all elements of the CIP and Five-Year Financial Plan; instead, it is a recognition of their elements.

Five-Year Financial Plan Summary

The Five-Year Financial Plan is a tool to help the City Council and the community better understand the City's fiscal outlook and engage in long-term strategic resource planning. The Plan includes a 5-year projection of revenues and expenditures based on historical trends of current policies and services and expenditure projections that include capital replacement.

As a result, the Plan illustrates that while the City's finances are well-managed, revenue in the current economic climate is insufficient to meet the demand for services (including capital replacement) at current tax and fee rates.

Over the past several years since the recession, the City has worked hard to maintain the level of service our residents have come to expect. The City has eliminated many positions, consolidated jobs and duties, delayed capital projects and equipment expenditures and is still hoping that revenue streams reach their pre-recession levels.

Capital Improvement Plan (CIP) Summary

The City's budget is split into two main parts: (1) The Operating Budget, and (2) the Capital Improvement Budget. The Operating Budget provides access to general financial information for the City. It contains estimates of the total resources expected to come into the City and the total appropriations to fund City services. Each fund and anticipated revenue and expenditure budgets are described within the Operating Budget, including explanations of any major increases and decreases of budgeted amounts.

The Capital Improvement Budget contains cost estimates and details regarding approved capital improvement projects (CIPs). A capital improvement is a project that maintains or improves the City's infrastructure. The resurfacing of a street or flooding improvements are just two examples of a CIP. The Capital Improvement Budget also displays the anticipated funding sources and the financing plan of the project. The CIP shows, and demonstrates, that City capital needs exceed its current revenues.

As illustrated in Five-Year Financial Plan, operating expenses and debt repayments are growing faster than revenue. At this pace, without additional revenue, the City will not be able to undertake capital

improvements. The City proposes to address these challenges through various tools that utilize address both expenditures and revenues. The City proposes to address these challenges through the following tools:

- Continued Expenditure Control
 - Controlling personnel costs
 - Controlling insurance costs
 - Controlling costs through intergovernmental cooperation
- Alternative Revenues Sources
 - Electricity/Natural Gas Tax
 - Water and Sewer Rate Increase

The Five-Year Financial Plan has a detailed explanation of the following alternative revenue sources that are being recommended.

- Utility Taxes beginning in Fiscal Year 2019-2020. It is estimated that an electricity and natural gas tax will generate approximately \$2.8 million annually. The revenue will be dedicated to fund projects and purchases found in the Capital Improvement Plan.
- Water and Sewer rate increases of 3.78% annually beginning in Fiscal Year 2019-2020 and continuing through 2023-2024 will provide a funding mechanism that will allow the water and sewer fund to continue to be financially independent and allows for capital investment in order to maintain water and sewer infrastructure systems.

The below tables are meant to briefly illustrate both the impact and need for these revenue sources.

<i>Recommended Alternative Revenue Source</i>	<i>Impact</i>
Electricity/Natural Gas Tax	Average residential customer bill would increase \$8.96 per month.
Water and Sewer Rate Increase	3.78% annually beginning in Fiscal Year 2019-2020 and continuing through 2023-2024. A two person household would see an average monthly increase of approximately \$2.36.

The above revenue sources would be dedicated as follows:

<i>Recommended Alternative Revenue Source</i>		<i>New Revenue Source Purpose</i>						
	Amount Generated (20/21)	<i>Maintain 25% Fund Balance</i>	<i>Pensions Obligations</i>	<i>General Capital/ Road Resurfacing</i>	<i>Water/ Sewer Operating</i>	<i>Stormwater/ Flooding</i>	<i>Water/ Sewer Capital</i>	<i>Fire Rescue</i>
Electricity/ Natural Gas Tax	\$2.8 million	√		√		√	√	
Water and Sewer Rate	\$956,670	√			√		√	

Water and Sewer User Fees

The Water and Sewer Fund is a self-supporting utility. The fiscal year 2019/2020 budget incorporates a water and sewer use fee increase of 3.78% which would go into effect on May 1, 2019. Despite the rate increases, the City's water and sewer rates continue to fall within a mid-point when compared to neighboring communities.

Additionally, the attached Water and Sewer Ordinance updates the City Code to incorporate hydrant meter rental fees and meter access provisions. These updates codify existing practices.

Fleet Leasing Program

At the May 1, 2018 City Council meeting, the City Council approved a citywide fleet leasing program with Enterprise Fleet Management, Inc. for the City's entire fleet except ambulances and fire apparatus. This was done in order to take advantage of significant financial and practical advantages by utilizing a fleet leasing program versus the current method of fleet replacement.

As part of the leasing program, each budget includes the not-to-exceed amount for the Vehicle Leasing and Replacement Program (VLR). The attached Resolution approves the VLR Program for the 2019-2020 Fiscal Year in an amount not to exceed \$925,821 which has been budgeted for the Vehicle Leasing and Replacement Program in the Crystal Lake 2019-2020 Fiscal Year Budget, and authorizes the City Manager to take any actions necessary to facilitate the Vehicle Leasing and Replacement Program. The budgeted amount includes the vehicles scheduled for the VLR in 2019-2020 as well as previously approved leased vehicles.

Northwest Municipal Conference Membership Withdrawal

The City is currently a member of the Northwest Municipal Conference (NWMC). As a cost cutting measure (\$20,779), staff is recommending that the City withdraw its membership from the Northwest Municipal Conference. At the time the City became a member of the NWMC, it did so to take advantage of its purchasing cooperative. Since that time, the City has become a member of multiple other purchasing cooperatives. The City is a member of the following purchasing cooperatives:

State of Illinois Joint Purchase Program
U.S. Communities Purchasing Alliance
NWMC/Suburban Purchasing Cooperative
National Intergovernmental Purchasing Alliance
The GSA Schedules
The National Cooperative Purchasing Alliance
National Joint Powers Alliance (NJPA)
HGACBuy
Nat'l Assoc. of State Procurement Officials

Municipal Partnering Initiative (MPI)
McHenry County Shared Services
Midwestern Higher Education Compact
The Interlocal Purchasing System (TIPS)
National Purchasing Partners (NPPGov)
Purchasing Cooperative of America
1Government Procurement Alliance (1GPA)
National BuyBoard (BuyBoard)

This enhanced purchasing power, coupled with the continued ability to purchase through NWMC's Suburban Purchasing Cooperative following the cancellation of the NWMC membership, resulted in the recommendation to cancel the City's NWMC membership. The City will continue to maintain an active role in the McHenry County Council of Governments.

Votes Required to Pass:

Simple majority

DRAFT



**AN ORDINANCE APPROVING THE ANNUAL BUDGET OF THE CITY OF
CRYSTAL LAKE, ILLINOIS, FOR THE FISCAL YEAR
BEGINNING MAY 1, 2019 AND ENDING APRIL 30, 2020**

WHEREAS, the City Council designates a Budget Officer for the City who shall compile an annual budget for the City of Crystal Lake; and

WHEREAS, the Budget Officer has proposed to the corporate authorities a budget as required by Section 8-2-9.3 of the Illinois Municipal Code; and

WHEREAS, Section 8-2-9.9 of the Illinois Municipal Code requires that the corporate authorities of the City of Crystal Lake allow for public inspection of the tentative annual budget at least ten (10) days prior to its passage; and

WHEREAS, the tentative annual budget has been available for public inspection in the Office of the City Manager from April 2, 2019; and

WHEREAS, after proper notice being given, a public hearing was conducted on April 16, 2019, to obtain public comment on the tentative annual budget for the City of Crystal Lake for the fiscal year beginning May 1, 2019 and ending April 30, 2020.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Crystal Lake, McHenry County and State of Illinois, as follows:

Section 1: The fiscal year budget of the City of Crystal Lake, McHenry County, Illinois, for the fiscal year beginning May 1, 2019 and ending April 30, 2020, in the form attached hereto is hereby approved and adopted.

Section 2: That a certified copy of this Ordinance and a copy of the budget hereby approved shall be filed with the McHenry County Clerk in accordance with the provisions of the statutes of the State of Illinois.

DATED at Crystal Lake, Illinois, this 16th day of April 2019.

APPROVED:

Aaron T. Shepley, Mayor

ATTEST:

Nick Kachiroubas, City Clerk

PASSED: April 16, 2019

APPROVED: April 16, 2019

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.

DRAFT



A RESOLUTION AUTHORIZING AND ADOPTING THE 2019/2020 THROUGH 2023/2024 CAPITAL IMPROVEMENT PROGRAM AND THE FIVE-YEAR FINANCIAL PLAN

WHEREAS, the purpose of a Capital Improvement Program (CIP) is to plan for and prioritize public improvement projects over the next five years; and

WHEREAS, the 2019-2024 CIP identifies specific projects and their budgets for consideration and approval by the Mayor and the City Council; and

WHEREAS, the Mayor and City Council find that the public improvements described in the CIP are necessary and serve the public interest; and

WHEREAS, the CIP also displays the anticipated funding sources and the financing plan of the project; and

WHEREAS, the document entitled "2019-2024 Proposed Capital Improvement Plan," dated April 16, 2019, contains all associated CIP projects and is attached herein and incorporated by reference.

WHEREAS, the CIP illustrates that the City's capital needs exceed its current revenues; and

WHEREAS, in order to address this imbalance, the City completed a Five-Year Financial Plan which presents the causes of projected imbalances and provides a tool for examining various policy options; and

WHEREAS, the Five-Year Financial Plan illustrates that while the City's finances are well-managed, revenue in the current economic climate is insufficient to meet the demand for services (including capital replacement) at current tax and fee rates; and

WHEREAS, the City proposes to address this financial imbalance through various tools that utilize address both expenditures and revenues. The City proposes to address these challenges by controlling costs, including personnel costs, as well as incorporating new revenue sources, which could include an Electricity/Natural Gas Tax, Vehicle Sticker Increase, Water and Sewer Rate Increases, and Maintaining a Flat Property Tax Rate; and

WHEREAS, the document entitled "2019-2024 Five-Year Financial Plan," dated April 16, 2019, is attached herein and incorporated by reference.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council authorize and adopt the 2019/2020 through 2023/2024 Capital Improvement Program and the 2019/2020 through 2023/2024 Five-Year Financial Plan.

DATED at Crystal Lake, Illinois, this 16th day of April 2019.

APPROVED:

Aaron T. Shepley, Mayor

ATTEST:

Nick Kachiroubas, City Clerk

PASSED: April 16, 2019

APPROVED: April 16, 2019

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.



AN ORDINANCE ESTABLISHING CERTAIN ANNUAL, DAILY OR HOURLY PAY RATES AND PAY RANGES AND THE SALARY ADMINISTRATION SCHEDULE FOR THE CITY OF CRYSTAL LAKE EMPLOYEES

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, ILLINOIS;

SECTION I: ANNUAL, DAILY OR HOURLY RATES

That the ranges of annual, daily or hourly rates for the employees of the City are hereby to read as follows on attached chart.

SECTION II: SALARY ADMINISTRATION PROCEDURES

- A. The City Manager shall develop procedures and direct the administration of those procedures to ensure that individual employee’s wages are determined and allocated in an equitable manner in keeping with the goals and requirements of this policy.
- B. New employees and newly promoted employees shall be paid a salary within their new salary range that is not less than the minimum of the range and does not exceed the maximum of their new pay range. Salary increases for individual employees will be timed and salary increase amounts will be determined following the specific criteria below:
 - 1. Quality of performance since the employee’s last salary adjustment.
 - 2. Comparison of current salary to pay of other employees of like duties, responsibilities and performance.
 - 3. Position of an employee’s current salary within the pay range in terms of overall ability and overall performance since the employee first entered the range.
- C. The City Manager shall annually direct the review and survey of certain positions and their salary ranges in comparison with other communities in proximity to the City of Crystal Lake or of like size and comparable composition.
- D. The City Manager shall annually approve salary rates and their effective dates for all employees.
- E. The City Manager may initiate exceptions to this policy when, in his judgment, such action is for the good of the organization.

SECTION III: JOB CLASSIFICATION:

That all positions of the City shall be separated into classifications and each classification shall have a pay range and the designation of an annual, daily, or hourly rate of pay. The classifications of positions may be modified as deemed appropriate by the City Manager.

All employees, including department directors, part-time and seasonal employees, shall receive such compensation as shall be determined from time to time by the City Manager provided, however, no expenditure shall be made on account of or pursuant to appointment or employment by the City Manager unless sufficient funds have been appropriated in the annual budget.

SECTION IV: REPEALER

That all ordinances or parts of ordinances, rules and regulations in conflict with this ordinance shall be and are hereby repealed.

SECTION V: EFFECTIVE DATE

That this Ordinance shall be in full force and effect from and after the first day of May 2019.

DATED at Crystal Lake, Illinois, this 16th day of April 2019.

APPROVED:

Aaron T. Shepley, Mayor

ATTEST:

Nick Kachiroubas, City Clerk

PASSED: April 16, 2019

APPROVED: April 16, 2019

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.

Compensation Plan - Full-Time Non-Represented Employees
Effective 05.01.2019 to 04.30.2020

	Grade	Annual		Hourly	
		Minimum	Maximum	Minimum	Maximum
Office Assistant	1	38,922	60,383	18.71	29.03
Police Records Assistant	2	40,884	63,425	19.66	30.49
Administrative Assistant	4	45,900	71,219	22.07	34.24
Community Service Officer	4	45,900	71,219	22.07	34.24
Financial Services Representative	4	45,900	71,219	22.07	34.24
Management Assistant	4	45,900	71,219	22.07	34.24
Permit Assistant	4	45,900	71,219	22.07	34.24
Human Resources Assistant	6	52,587	81,580	25.28	39.22
Executive Assistant	7	56,778	88,067	27.30	42.34
Accountant	8	60,189	93,343	28.94	44.88
Administrative Analyst	8	60,189	93,343	28.94	44.88
Engineering & Building Inspector	8	60,189	93,343	28.94	44.88
Fire Inspector	8	60,189	93,343	28.94	44.88
Management Analyst	8	60,189	93,343	28.94	44.88
Support Services Coordinator	8	60,189	93,343	28.94	44.88
Lab Supervisor	9	65,606	101,755	31.54	48.92
Plans Examiner	9	65,606	101,755	31.54	48.92
Plumbing Inspector	9	65,606	101,755	31.54	48.92
Police Records Supervisor	10	76,106	109,787	36.59	52.78
Public Works Supervisor	10	76,106	109,787	36.59	52.78
Assistant City Planner	11	79,160	114,160	38.06	54.88
Assistant to the City Manager	11	79,160	114,160	38.06	54.88
Assistant to the Director of Public Works	11	79,160	114,160	38.06	54.88
Police Sergeant		101,082	112,621	48.60	54.14
Civil Engineer	12	82,325	118,722	39.58	57.08
Assistant Finance Director	14	89,035	128,418	42.81	61.74
Public Works Superintendent	14	89,035	128,418	42.81	61.74
Building Commissioner	15	92,580	132,956	44.51	63.92
City Engineer	15	92,580	132,956	44.51	63.92
City Planner	15	92,580	132,956	44.51	63.92
Economic Development Manager	15	92,580	132,956	44.51	63.92
Fire Battalion Chief	15	92,580	132,956	44.51	63.92
Fire Bureau Chief	15	92,580	132,956	44.51	63.92
Police Commander	15	92,580	132,956	44.51	63.92
Deputy Fire Chief	17	100,137	151,682	48.14	72.92
Deputy Police Chief	17	100,137	151,682	48.14	72.92
Director of Human Resources	18	104,149	155,365	50.07	74.69
Director of Information Technology	18	104,149	155,365	50.07	74.69
Deputy City Manager	19	108,318	167,794	52.08	80.67
Director of Community Development	19	108,318	167,794	52.08	80.67
Director of Finance	19	108,318	167,794	52.08	80.67
Director of Public Works	20	112,643	174,519	54.16	83.90
Fire Rescue Chief	20	112,643	174,519	54.16	83.90
Police Chief	20	112,643	174,519	54.16	83.90

Compensation Plan - Regular & Temporary Part-Time Non-Represented Employees
Effective 05.01.2019 to 04.30.2020

	Grade	Hourly	
		Minimum	Maximum
Temporary/Seasonal Positions			
Seasonal Laborer			
Public Works Fleet		9.50	10.50
Public Works Streets Summer		9.50	10.50
Public Works Water		9.50	10.50
Public Works Wastewater		9.50	10.50
Three Oaks Attendant		8.25	11.00
Three Oaks Lifeguard		9.00	11.00
Three Oaks Assistant Site Supervisor		10.50	12.50
Public Works Streets Winter		18.50	22.00
Interns			
Administrative Intern		8.25	26.50
Engineering Intern		9.00	15.00
Regular Part-Time Positions			
Office Assistant	1	18.71	29.03
Police Records Assistant	2	19.66	30.49
Firefighter II/EMT-B Trainee		9.25	9.25
Firefighter II/EMT-B ⁽¹⁾		15.50	19.00
Three Oaks Security Assistant		10.50	15.00
Three Oaks Beach/Recreation Manager		16.25	30.00

(1) Fire Rescue Part Time Staff: Additional \$0.50/hour for each certification on top of base for additional Certifications of Paramedic, FAE, or Firefighter III; Additional \$0.50/hour for 10 years or more service to CLFRD

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Ord. No.
File No.

ORDINANCE AMENDING THE CRYSTAL LAKE CITY CODE

BE IT ORDAINED by the Mayor and City Council of the City of Crystal Lake, McHenry County and State of Illinois, as follows:

Section 1: Amendment of City Code § 515-15, Rates and Charges, of Chapter 515, Water and Sewer, of the City Code is hereby repealed and replaced in its entirety with the following:

§ 515-15. Rates and Charges.

The consumer or user on all property or premises upon which any building or structure has been or may hereafter be erected having connection with any mains or pipes which exist or may hereafter be constructed and used in connection with the water and sewage or water or sewage systems of the City of Crystal Lake shall pay the following rates according to the following schedule:

A. Water rate. Beginning May 1, 2019, the following rates shall apply:

- (1) Monthly service charge: \$7.57.
- (2) Each 1,000 gallons: \$5.16 per 1,000 gallons.

B. Sewer rate. Beginning May 1, 2019, the following rates shall apply:

- (1) Monthly service charge: \$9.03.
- (2) Each 1,000 gallons: \$5.17 per 1,000 gallons.

C. The rates and charges herein established shall be collected from owners, occupants, consumers and users of the premises for all such use from and after each scheduled rate adjustment. The minimum rate for water and sewer monthly billing shall be equal to the combined water and sewer monthly service charge for the rate period covered. The fee paid for sewer use shall be determined by the water meter reading. No discounts shall be allowed for any difference between the water meter reading and actual sewer use.

D. Senior citizens may qualify for a water and sewer rate discount of 20% for the first 5,000 gallons billed each month by requesting the discount and registering with the Finance Department. To receive the discount, a senior citizen must be 65 years of age, and must reside at the address and the account must be in his/her name.

E. Water users outside corporate limits of the City of Crystal Lake shall pay 1 1/3 times the fee charged for the same services within the City (except those users covered by contractual agreements whose fees should be determined in accordance with such contracts).

F. Bulk water sales made by metered connections to secondary community water supplies or via metered hydrant for on-site use or via metered hydrant to a tanker for transport to an end user (except those users covered by contractual agreements) shall be billed monthly and pay the following rates according to the following schedule:

(1) Bulk water rate (except those users covered by contractual agreements). Beginning May 1, 2019, and continuing until further adjusted by the Mayor and City Council of the City of Crystal Lake:

- (a) Monthly service charge: \$40.45.
- (b) Each 1,000 gallons: \$15.74 per 1,000 gallons.

G. Water used during construction of new buildings. Beginning May 1, 2019, and continuing until further adjusted by the Mayor and City Council of the City of Crystal Lake:

- (1) One- and two-family residences: \$98.29.
- (2) Multifamily, commercial, industrial:
 - (a) Under 2,000 square feet, minimum fee: \$98.29.
 - (b) Each additional square foot over 2,000 to 10,000: \$0.058.
 - (c) Each additional square foot over 10,000 to 50,000: \$0.019.
 - (d) Each additional square foot over 50,000: \$0.011.

H. Temporary hydrant connection. In those instances in which temporary hydrant connections are intended, the following regulations shall apply:

1. The user shall pay to the City:

- a. A monthly service charge of \$40.45 regardless of the length of rental during the course of a month.
- b. \$15.74 per 1,000 gallons of water used. The fee is charged in 1,000 gallon increments and shall be billed at the time the meter is returned.
- c. A daily hydrant meter/RPZ unit rental fee of eight dollars (\$8.00).

Upon the return of the meter, a meter reading shall be taken and the user shall be billed these fees. The minimum billing shall be for 1,000 gallons with a minimum rental fee of one (1) week in addition to the service fee of \$40.45.

2. Deposit. As a condition precedent to the issuance of the hydrant meter/RPZ unit for such temporary connection, the applicant shall deposit with the City the sum of one thousand five hundred dollars (\$1,500.00) for a ¾ inch hydrant meter/RPZ unit rental or three thousand five hundred dollars (\$3,500.00) for a 2" inch hydrant meter/RPZ unit rental to secure the payment of fees related to such connection. This deposit will be used to offset the hydrant meter rental charges as outlined in Section H (1) and any damage. Deposits shall be refunded upon return and inspection of all equipment in good operating condition, which shall include the successful testing of the RPZ.

3. Hydrant meter/RPZ unit rentals may be rented throughout the year dependent on availability, and all units shall be returned by December 31st of each year, unless alternate arrangements have been made with the Public Works Department. Units not returned by December 31st shall result in the forfeiture of the deposit. Customers who have forfeited their

deposits shall be prohibited from using the hydrant meter/RPZ unit and to draw any water from the City's fire hydrants until such time as the account has been paid in full for the water used and a new meter/RPZ unit deposit has been paid. A re-certified unit will then be provided to the customer.

4. The user of any temporary hydrant meter/RPZ unit is responsible for the replacement cost in the event the unit is lost, stolen, or damaged in any way.

I. Surcharge for industrial users. When the average concentrations of BOD and/or suspended solids exceeds 300 mg/l or 350 mg/l, respectively, a surcharge shall be \$0.67 per pound of BOD, and \$0.33 per pound of suspended solids. All measurements, tests, and analysis of the characteristics of water and wastes to determine the industrial user surcharge factors shall be conducted in conformance with § 515-13. All commercial and institutional users shall be reclassified "industrial" as per the Office of Management and Budget's "Standard Industrial Classification Manual," 1972 Edition, under the category "Division D Manufacturing," when any of their wastes exceed the concentration of § 515-13 of this article.

J. New Account Deposit.

1. All new water/sewer accounts shall be required to make a utility deposit with the City to their utility account prior to receiving any water/sewer service. Upon application for service, all new customers must indicate whether the service is being requested for property that is owned or rented.
2. The new customer deposit shall be fifty dollars (\$50.00) for water/sewer service.
3. Utility deposits shall be credited to utility customers in "good standing" having had twenty-four (24) consecutive months with a minimum of twenty-two (22) timely payments and no payments or drafts having been returned for insufficient funds. Utility deposits credited shall be applied to the customer's next bill following the 24th consecutive month of timely payments. No deposits to current accounts shall be refunded directly to the customer until account closure.
4. The deposit requirement shall be waived in the event the applicant applies for participation in the City's "Direct Debit Program" and remains in good standing. A customer in good standing is one that has not had direct payments returned to the City on two consecutive billing periods. The Finance Director is authorized to process a refund of deposits held by the City on behalf of water and sewer customers who participate in the Direct Debit Program. Refunds shall be processed in the form of an account billing credit.

K. Terms of Payment

1. Liability For Payment Of Fees For Water/Sewer Service: The user of the City's water/sewer service and the occupant and owner of the property, or the owner's agent, if different from the user, shall be jointly and severally liable for the payment of any user fees, penalties, or special assessments billed for water/sewer service.

2. Owner Notified If Tenant Delinquent: After the account has been delinquent for sixty (60) days, if the owner has provided the City with the owner's name and address, the City shall deliver notice of the tenant's or occupant's delinquency to the owner. Depositing the required notice in the mail, addressed to the owner at the address listed in the City's records, postage prepaid, shall constitute delivery.

3. Manner Of Correcting Inaccurate Bills: In any instance where a customer's bill has been incorrectly calculated or stated for any reason except unlawful use of utility services, the City shall correct the billing for any period of time not exceeding twelve (12) months during which incorrect bills were rendered for underbilled accounts and twelve (12) months for credits due to an error which caused the account to be overbilled.

4. Deferred Payment Plan: Where a customer has been underbilled, the City may enter into a written deferred payment agreement with the customer, whereby the amount due to the billing error may be paid in equal installments over a period not to exceed twelve (12) months from the date on which the agreement is signed.

5. Termination Of Service: The City shall have and hereby reserves the right, power and authority to suspend or terminate water/sewer service as provided for in § 515-16 to any customer at any time without incurring any liability or cause of action for damages of any kind.

6. Resumption Of Service: If service is discontinued because the customer's bills for service are in arrears, or for violation of any provisions of this Article after notice, such service shall not be restored until all charges, costs and damages, if any, shall have been paid to the Finance Department; or the violation has been corrected; and any charges for reinstatement of service pursuant to this Chapter have been paid to the Finance Department.

7. Voluntary Water Shutoff: The City provides a water shutoff service to residents who are on vacation or away for an extended period. ~~Effective May 1, 2019, the~~ fee for voluntary water shutoff shall be \$100. The fee shall cover the cost of water shutoff at the valve box in the City's right-of-way (the valve the City has installed to access water service) and then turned back on upon request. The fee shall not be applicable to any school districts or any unit of local government.

8. Responsibility for Meter with Customer: If water service is terminated pursuant to this Section, the customer shall remain liable for protecting the water meter from damage from freezing or other causes. If the meter is damaged, the customer shall be required to return the damaged meter to the City, purchase a new meter, and have the new meter installed in accordance with City Code requirements, all at his/her own expense.

9. Collection: The City may take all legal action necessary to collect ~~user~~ fees from delinquent accounts including, without limitation, termination of service, recording a lien against the property, foreclosing on such lien, hiring a collection agency, refusing to grant any other utility service, or to issue any City permit or license to the

delinquent customer until the delinquent account has been paid in full, including any penalties, costs incurred to record liens or releases of lien, or costs of collection.

10. Blanket Policy: The City shall also have the right to disconnect or refuse service to any customer with one or more installations if the bills are not paid at any one installation.

11. Charges And Discounts Prorated: The charges and discounts established in this Article shall be prorated by the Finance Department for customers receiving service for less than a full billing period.

L. Periodic review of charges. The adequacy of the water and sewer charge shall be reviewed by the City Manager at least annually as part of the annual budget process. The water and sewer service charge shall be revised periodically to reflect change in local operation, maintenance and repair costs, including capital replacement costs.

M. Disposition of revenues. All revenues and moneys derived from the operation of the water and sewer system shall be deposited in the Water and Sewer Fund. The Director of Finance shall receive all such revenues from the water and sewer system and all other funds and moneys incidental to the operation of such system as the same may be delivered to him/her and deposit the same in the account of the fund designated as the Water and Sewer Fund of the City of Crystal Lake.

N. Accounts. The Director of Finance shall establish a proper system of accounts and shall keep proper books, records and accounts in which complete and correct entries shall be made of all transactions relative to the water and sewer system, and at regular annual intervals he/she shall cause to be made an audit by an independent auditing concern of the books to show the receipts and disbursements of the sewerage system.

Section 2: Amendment of City Code §515-25, Notice of need to meter access of Chapter 515, Water and Sewer, of the City Code is hereby repealed and replaced in its entirety with the following:

§ 515-25 Access to meters and other City equipment.

(A). It shall be unlawful for any person, firm or corporation to refuse access or fail to allow the City employee or representative access to any installed water meter and corresponding City equipment for the purpose of obtaining readings, maintaining, or inspecting the equipment as reasonably necessary as determined by the City.

(B). In the event the person, firm or corporation fails to allow access to the City employee or representatives to the City owned meter equipment within five (5) days after having received written notices via certified mail or personal service, said meter and equipment shall be deemed to be nonfunctional and the Director of Finance shall be notified and caused to have the water turned off at the valve box on the premises of the person, firm or corporation to whom the meter is registered.

(C). Water shall not be turned on again until the meter has been read, inspected, and/or tested to the satisfaction of the City. In addition, there shall be paid prior to renewal or connection of water service a charge as set forth in § 515-16 of this Code.

(D). It shall be unlawful for any person, firm or corporation to create or maintain an obstruction, refuse access or fail to allow the City employee or representative access to any shut off or other City owned water equipment as reasonably necessary as determined by the City. The City shall provide five (5) days written notices via certified mail or personal service to the person, firm or corporation of the need for access. Any obstruction shall be removed within five (5) days of notice.

Section 3: Effective Date. This Ordinance shall be in full force and effect from and after its passage and approval according to law.

DATED at Crystal Lake, Illinois, this 16th day of April 2019.

APPROVED:

Aaron T. Shepley, Mayor

ATTEST:

Nick Kachiroubas, City Clerk

PASSED: April 16, 2019

APPROVED: April 16, 2019

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.



ORDINANCE NO. _____

An Ordinance Amending Chapter 467 – Taxation, of the Crystal Lake City Code and Imposing an Electricity Tax

WHEREAS, the City of Crystal Lake, McHenry County, Illinois, is a home rule municipality as contemplated under Article VII, Section 6, of the Constitution of the State of Illinois, and the passage of this Ordinance constitutes an exercise of the City’s home rule powers and functions as granted in the Constitution of the State of Illinois; and

WHEREAS, pursuant to its home rule authority and to Section 8-11-2 of the Illinois Municipal Code, 65 ILCS 5/8-11-2, the Mayor and City Council of the City of Crystal Lake have determined that it is useful, appropriate and in the best interests of the City to impose a tax upon the privilege of using or consuming electricity acquired in a Purchase at Retail and used or consumed within the corporate limits of the City.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Crystal Lake, McHenry County, Illinois, as follows:

SECTION 1: The Code of Ordinances of the City of Crystal Lake be and is hereby amended by adding Article XII to Chapter 467 as follows:

ARTICLE XIII. Electricity Tax

§ 467-61. Definitions.

For purposes of the tax imposed by this Article, the following terms shall be defined as follows:

- (a) Person: Any natural individual, firm, trust, estate, partnership, association, joint stock company, joint adventure, corporation, limited liability company, municipal corporation, the State or any of its political subdivisions, any State university created

by statute, or any receiver, trustee, guardian or other representative appointed by any order of court.

- (b) Person Maintaining a Place of Business in this State: Any person having or maintaining within this State, directly or by a subsidiary or other affiliate, an office, generation facility, distribution facility, transmission facility, sales office or other place of business, or any employee, agent, or other representative operating within this State under the authority of the person or its subsidiary or other affiliate, irrespective of whether such place of business or agent or other representative is located in this State permanently or temporarily, or whether such person, subsidiary or other affiliate is licensed or qualified to do business in this State.
- (c) Purchase at Retail: Any acquisition of electricity by a Purchaser for purposes of use or consumption, and not for resale, but shall not include the use of electricity by a public utility, as defined in 65 ILCS 5/8-11-2, directly in the generation, production, transmission, delivery, or sale of electricity.
- (d) Purchaser: Any person who uses or consumes, within the corporate limits of the City, electricity acquired in a purchase at retail.
- (e) Supplier: A Person Maintaining a Place of Business in this State who delivers electricity to a Purchaser.

§ 467-62. Municipal Utility Tax Imposed on Use or Consumption of Electricity.

- 1. Pursuant to Section 8-11-2 of the Illinois Municipal Code (65 ILCS 5/8- 11-2), as may be subsequently amended, the City imposes a tax upon the privilege of using or consuming electricity acquired in a Purchase at Retail and used or consumed within the corporate limits of the City at the following rates, calculated on a monthly basis for each Purchaser:
 - a. For the first 2,000 kilowatt-hours used or consumed in a month; \$0.00610 per kilowatt-hour;
 - b. For the next 48,000 kilowatt-hours used or consumed in a month; \$0.00400 per kilowatt-hour;
 - c. For the next 50,000 kilowatt-hours used or consumed in a month; \$0.00360 per kilowatt-hour;
 - d. For the next 400,000 kilowatt-hours used or consumed in a month; \$0.00350 per kilowatt-hour;
 - e. For the next 500,000 kilowatt-hours used or consumed in a month; \$0.00340 per kilowatt-hour;
 - f. For the next 2,000,000 kilowatt-hours used or consumed in a month; \$0.00320 per kilowatt-hour;

- g. For the next 2,000,000 kilowatt-hours used or consumed in a month; \$0.00315 per kilowatt-hour;
 - h. For the next 5,000,000 kilowatt-hours used or consumed in a month; \$0.00310 per kilowatt-hour;
 - i. For the next 10,000,000 kilowatt-hours used or consumed in a month; \$0.00305 per kilowatt-hour;
 - j. For all electricity used or consumed in excess of 20,000,000 kilowatt-hours in a month, \$0.00300 per kilowatt-hour.
2. This tax is in addition to all other taxes, fees, and other revenue measures imposed by the City, the State of Illinois, or any other political subdivision of the State.
3. This tax shall be imposed with respect to the use or consumption of electricity by Purchasers beginning with the first bill issued on or after September 1, 2019.
4. The taxes described in this Article shall not be applicable to any school districts, or any unit of local government located in whole or in part within the corporate limits of the City. The attached Addendum lists those properties that are exempt from the taxes described in this Article. The City Manager is authorized to add properties from the list of properties exempt from the taxes described in this Article so long as the property is in possession by any school district, or any unit of local government located in whole or in part within the corporate limits of the City. The City Manager is also authorized to remove properties from the list of properties exempt from the taxes described in this Article so long as the property is no longer in possession of any school district, or any unit of local government located in whole or in part within the corporate limits of the City.
5. Notwithstanding any other provision of this Section, the tax shall not be imposed if and to the extent that imposition or collection of the tax would violate the Constitution or statutes of the United States or the Constitution of the State of Illinois.

§ 467-63. Collection of Electricity Tax.

1. Subject to the provision of Section 467-65, the tax imposed by this Article shall be collected from Purchasers by the Supplier who delivers electricity to such Purchasers. This tax shall constitute a debt of the Purchaser to such Supplier and is recoverable at the same time and in the same manner as the original charge for delivering the electricity.
2. Any tax required to be collected pursuant to this Article, and any tax in fact collected, shall constitute a debt owed to the City by the Supplier, provided, however, that the Supplier shall be allowed credit for such tax related to deliveries of electricity, the charges for which are written off as uncollectible, and provided further that if such charges are thereafter collected, the Supplier shall be obligated to remit such tax.

3. Suppliers shall collect the tax from the Purchaser by adding such tax to the gross charge for delivering the electricity. Suppliers shall also be authorized to add to such gross charge an amount equal to 3% of the tax they collect to reimburse them for their expenses incurred in keeping records, billing customers, preparing and filing returns, remitting the tax and supplying data to the City upon request. For the purposes of this Article, any partial payment of a billed amount not specifically identified by the Purchaser shall be deemed to be for the delivery of electricity.

§ 467-64. Tax Remittance and Return.

1. Every Supplier who delivers electricity to a Purchaser in accordance with the Article shall, on a monthly basis, file a return in a form prescribed by the City Treasurer. The return and accompanying remittance shall be due on or before the last day of the month following the month during which the tax is collected or is required to be collected under Section 467-62 and Section 467-63 of this Article.
2. If a Supplier fails to collect the tax from the Purchaser or is excused from collecting the tax under Section 467-65, then the Purchaser shall file a return in a form prescribed by the City Treasurer and pay the tax directly to the City Treasurer on or before the last day of the month following the month during which the electricity is used or consumed.

§ 467-65. Resales.

1. Electricity that is delivered to a Person in the City shall be considered to be for use and consumption by that person unless the person receiving the electricity has an active resale number issued by the City Treasurer and furnishes that number to the person who delivers the electricity, and certifies to that person that the sale is either entirely or partially nontaxable as a sale for resale.
2. If a Person who receives electricity in the City claims to be an authorized reseller of electricity, that person shall apply to the City Treasurer for a resale number. The applicant shall state facts showing why it is not liable for the tax imposed by this Section on any purchases of electricity and shall furnish such additional information as the City Treasurer may reasonably require.
3. Upon approval of the application, the City Treasurer shall assign a resale number to the applicant and shall certify the number to the applicant.
4. The City Treasurer may cancel the resale number of any Person if the Person fails to pay any tax payable under this Article for electricity used or consumed by the Person, or if the number was either (1) obtained through misrepresentation, or (2) no longer necessary because the Person has discontinued making resales.
5. If a reseller had acquired electricity partly for use or consumption and partly for resale, the reseller shall pay the tax imposed by this Article directly to the City Treasurer pursuant to Section 467-64(2) on the amount of electricity that the reseller uses or consumes, and shall collect the tax pursuant to subsection Section 467-64 and

remit the tax pursuant to subsection Section 467-64(1) to the City Treasurer on the amount of electricity delivered by the reseller to the Purchaser.

6. Any person who delivers electricity to a reseller having an active resale number and complying with all other conditions in this Article, shall be excused from collecting and remitting the tax on any portion of the electricity delivered to the reseller, provided that the Person reports the total amount of electricity delivered to the reseller, and such other information that the City Treasurer may reasonably require.

§ 467-66. Books and Records.

Every Supplier who delivers electricity to a Purchaser and every Purchaser required to pay the tax imposed by this Article, shall keep and maintain accurate books and records of its business or activity, including contemporaneous books and records denoting the transactions that gave rise, or may have given rise, to any tax liability under this Article. Those books and records shall be subject to and available for inspection at all times during business hours of the day.

§ 467-67. Credits and Refunds.

Notwithstanding any other provision of this Article, in order to permit sound fiscal planning and budgeting to the City, no person shall be entitled to a refund or, or credit for, a tax imposed under this Article unless the person files a claim for refund or credit within one year after the date on which the tax was paid or remitted.

§ 467-68. Penalty.

Any Person who fails to make a return, or who makes a fraudulent return, or who willfully violates any other provision of this Article is guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than one hundred dollars (\$100) nor more than seven hundred fifty dollars (\$750) and in addition shall be liable in an administrative or civil action for the amount of tax due.

§ 467-69. Further Remedies.

Nothing in this Article shall be construed as limiting any additional or further remedies that the City may have for enforcement of this Article.

§ 467-70. Copies for the Affected Utilities.

The City Clerk is hereby directed to send a certified copy of this ordinance to each utility company affected by this ordinance.

Section 2: This ordinance shall be in full force and effect, and shall be controlling, upon its passage and approval.

Section 3: All ordinances or parts of ordinances thereof in conflict with this ordinance are hereby repealed to the extent of any such conflict.

Section 4: Any Section or provision of this ordinance that is construed to be invalid or void shall not affect the remaining Sections or provisions which shall remain in full force and effect thereafter.

PASSED by the City Council of the City of Crystal Lake, Illinois, on April 16, 2019.

AYES _____ NAYES _____

APPROVED AND SIGNED by the Mayor of the City of Crystal Lake, Illinois, on April 16, 2019.

Mayor

ATTEST:

City Clerk

City of Crystal Lake, Illinois

ADDENDUM

The following properties that are exempt from the taxes described in Article XII of Chapter 467. The City Manager is authorized to add properties from the list of properties exempt from the taxes described in Article XII of Chapter 467 so long as the property is in possession by any school district, or any unit of local government located in whole or in part within the corporate limits of the City. The City Manager is also authorized to remove properties from the list of properties exempt from the taxes described in Article XII of Chapter 467 so long as the property is no longer in possession of any school district, or any unit of local government located in whole or in part within the corporate limits of the City.

School Districts

PIN	NAME	ADDRESS	ZIPCODE
18134510030000	WOODS CREEK ELEMENTARY SCHOOL	1100 ALEXANDRA BLVD	60014
18022260100000	WEST ELEMENTARY SCHOOL	100 BRIARWOOD RD	60014
18242040310000	GLACIER RIDGE ELEMENTARY SCHOOL	1120 VILLAGE RD	60014
19052030180000	HUSMANN ELEMENTARY SCHOOL	131 W PADDOCK ST	60014
19052540040000	CRYSTAL LAKE CENTRAL HIGH SCHOOL	45 W FRANKLIN AVE	60014
19064540010000	SOUTH ELEMENTARY SCHOOL	601 GOLF RD	60014
19072030060000	LUNDAHL JUNIOR HIGH SCHOOL	560 NASH RD	60014
19084280070000	CANTERBURY ELEMENTARY SCHOOL	875 CANTERBURY DR	60014
19182000050000	CRYSTAL LAKE SOUTH HIGH SCHOOL	1204 MCHENRY AVE	60014
19182000080000	CRYSTAL LAKE SOUTH HIGH SCHOOL	1200 MCHENRY AVE	60014
19192000070000	INDIAN PRAIRIE ELEMENTARY SCHOOL	651 VILLAGE RD	60014
14314260360000	NORTH ELEMENTARY SCHOOL	500 W WOODSTOCK ST 515 E CRYSTAL LAKE AVE	60014
19042020100000	HANNAH BEARDSLEY MIDDLE SCHOOL	AVE	60014
14213000070000	PRAIRIE RIDGE HIGH SCHOOL	6000 DVORAK DR	60012
13253000210000	MCHENRY COUNTY COLLEGE	8900 US ROUTE 14	60014
19052540040000	CRYSTAL LAKE CENTRAL HIGH SCHOOL	230 S WALKUP AVE	60014
19083260110000	COVENTRY ELEMENTARY SCHOOL	820 DARLINGTON LN	60014

Local Government

PIN	ADDRESS	ZIPCODE
18012050290000	140 CRYSTAL BEACH AVE	60014
14324510010000	121 W WOODSTOCK ST	60014
13351770020000	1800 ROUTE 176	60014
14331810030000	330 E TERRA COTTA AVE	60014
14333810010000	365 POPLAR ST	60014
14324020050000	100 W WOODSTOCK ST	60014
14324320180000	5 GATES ST	60014
19092000090000	5517 NORTHWEST HWY	60014
18011010080000	48 HEATHER DR	60014
19084290120000	844 VIRGINIA RD	60014
19184030020000	1434 BRIDGEDALE RD	60014
14274760030000	1110 RIVER BIRCH BLVD	60014

18121760040000	8701 BARD RD	60014
18121760040000	8705 BARD RD	60014
14333810020000	365 POPLAR ST	60014
14272010030000	1051 S ROUTE 31	60014
14333030010000	203 ILLINOIS ST	60014
18012050300000	146 CRYSTAL BEACH AVE	60014
14343260170000	164 N ROUTE 31	60014
18242770160000	1024 SADDLE CREEK LN	60014
19062820010000	427 W VIRGINIA ST	60014
19084290120000	850 VIRGINIA RD	60014
19074780040000	445 DARTMOOR DR	60014
13351770040000	1800 ROUTE 176	60014
18012280110000	149 EAST END AVE	60014
14324330110000	54 RAILROAD ST	60014
14324810030000	25 BRINK ST	60014
19102010130000	4451 SANDS RD	60014
14324010170000	200 N WALKUP AVE	60014
19062820010000	237 FLORENCE ST	60014
19064530130000	386 NASH RD	60014
19041280010000	410 S MAIN ST	60014
18011010010000	1421GN BUTTERNUT DR	60014
14332510010000	400 KNAACK BLVD	60014
14333530070000	91 ELLSWORTH ST	60014
19103040110000	697 TEK DR	60014
19182000150000	1100 COVENTRY LN	60014
14333510110000	143 BEARDSLEY ST	60014
19064540020000	530 EDGEBROOK DR	60014
14341510030000	660 E TERRA COTTA AVE	60014
14322510360000	31 CRYSTAL RIDGE DR	60014
14324810040000	68 GRANT ST	60014
14324330080000	52 RAILROAD ST	60014
18012280120000	153 EAST END AVE	60014
14333540060000	21 N MAIN ST	60014
13351770030000	1800 ROUTE 176	60014

DRAFT



**CITY OF CRYSTAL LAKE, ILLINOIS
ORDINANCE NO. _____**

WHEREAS, the City of Crystal Lake, Illinois is a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals and welfare; and

WHEREAS, pursuant to the City’s home rule powers, the Mayor and City Council of the City have determined that it is necessary and desirable for the City of Crystal Lake to amend its ordinances regarding taxation by creating a municipal gas use tax.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Crystal Lake, Illinois as follows:

Section One: The Code of Ordinances of the City of Crystal Lake be and is hereby amended by adding Article XIII to Chapter 467 as follows:

ARTICLE XIII. Municipal Gas Use Tax

§ 467-71. Short Title

The tax imposed by this Article shall be known as the “Municipal Gas Use Tax” and is imposed in addition to all other taxes imposed by the City of Crystal Lake, the State of Illinois, or any other municipal corporation or political subdivision thereof.

§ 467-72. Definitions

For the purpose of this Article, the following definitions shall apply:

- (a) “Person” means any individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, municipal corporation or political subdivision of this state, or a receiver, trustee, conservator or other representative appointed by order of any court.
- (b) “Public Utilities Act” means the Public Utilities Act as amended, (220 ILCS 5/1-101 et seq.).
- (c) “Public Utility” means a public utility as defined in Section 3-105 of the Public Utilities Act.
- (d) “Retail Purchaser” means any Person who purchases gas in a Sale at Retail.
- (e) “Sale at Retail” means any sale of gas by a retailer to a Person for use or consumption, and not for resale. For this purpose, the term “retailer” means any Person engaged in the business of distributing, supplying, furnishing or selling gas

§ 467-73. Tax

- (a) Except as otherwise provided by this Article, a tax is imposed on the privilege of using or consuming gas in the City that is purchased in a Sale at Retail at the rate of five cents (\$0.05) per therm.
- (b) The ultimate incidence of and liability for payment of the tax is on the Retail Purchaser, and nothing in this Article shall be construed to impose a tax on the occupation of distributing, supplying, furnishing, selling or transporting gas.
- (c) The Retail Purchaser shall pay the tax, measured by therms of gas delivered to the Retail Purchaser’s premises, to the Public Utility designated to collect the tax pursuant to Section 467-74 of this Article on or before the payment due date of the Public Utility’s bill first reflecting the tax, or directly to the City Treasurer on or before the fifteenth day of the second month following the month in which the gas is delivered to the Retail Purchaser if no Public Utility has been designated to collect the tax pursuant to Section 467-74 or if the gas is delivered by a person other than a Public Utility so designated.

- (d) Nothing in this Article shall be construed to impose a tax upon any person, business or activity which, under the constitutions of the United States or State of Illinois, may not be made the subject of taxation by the City.
- (e) A Person who purchases gas for resale and therefore does not pay the tax imposed by this Article with respect to the use or consumption of the gas, but who later uses or consumes part or all of the gas, shall pay the tax directly to the City Treasurer on or before the fifteenth day of the second month following the month in which the gas is used or consumed.
- (f) The tax shall apply to gas for which the delivery to the Retail Purchaser is billed by a Public Utility on or after September 1, 2019.
- (g) If it shall appear that an amount of tax has been paid which was not due under the provisions of this Article, whether as a result of mistake of fact or an error of law, then such amount shall be (i) credited against any tax due, or to become due, under this Article from the taxpayer who made the erroneous payment or (ii) subject to a refund if no such tax is due or to become due; provided that no amounts erroneously paid more than three (3) years prior to the filing of a claim therefor shall be so credited or refunded.
- (h) No action to recover any amount of tax due under the provisions of this Article shall be commenced more than three (3) years after the due date of such amount.
- (i) Reserved.

§ 467-74. Collection of tax by Public Utility.

The Mayor, City Treasurer, City Manager and City Director of Finance are each authorized to enter into a contract for collection of the tax imposed by this Article with any Public Utility providing gas service in the City and to undertake such other necessary or useful actions to effect the imposition and collection of the tax imposed by this Article. The contract shall include and substantially conform with the following provisions:

- (1) the Public Utility will collect the tax from Retail Purchasers as an independent contractor;
- (2) the Public Utility will remit collected taxes to the City Treasurer no more often than once each month;

- (3) the Public Utility will be entitled to withhold from tax collections a service fee equal to 3% of the amounts collected and timely remitted to the City Treasurer;
- (4) the Public Utility shall not be responsible to the City for any tax not actually collected from a Retail Purchaser; and
- (5) such additional terms as the parties may agree upon.

§ 467-75. Books and records.

Every taxpayer shall keep accurate books and records, including original source documents and books of entry, denoting the activities or transactions that gave rise, or may have given rise to any tax liability or exemption under this Article. All such books and records shall, at all times during business hours, be subject to and available for inspection by the City.

§ 467-76. Exemptions.

The tax imposed by this Article shall not apply to any school district or unit of local government lying in whole or in part within the corporate limits of the City.

Section Two: This ordinance shall be in full force and effect, and shall be controlling, upon its passage and approval.

Section Three: All ordinances or parts of ordinances thereof in conflict with this ordinance are hereby repealed to the extent of any such conflict.

Section Four: In furtherance of this Agreement, the City Manager (in consultation with counsel for the City) is hereby authorized and directed to execute on behalf of the City a “Municipal Gas Use Tax Collection Agreement” with Northern Illinois Gas Company.

Section Five: Any Section or provision of this ordinance that is construed to be invalid or void shall not affect the remaining Sections or provisions which shall remain in full force and effect thereafter.

PASSED by the City Council of the City of Crystal Lake, Illinois, on April 16, 2019.

AYES _____ NAYES _____

APPROVED AND SIGNED by the Mayor of the City of Crystal Lake, Illinois, on April
16, 2019.

Mayor

ATTEST:

City Clerk

City of Crystal Lake, Illinois

DRAFT

Municipal Gas Use Tax Collection Agreement

between

the City of Crystal Lake, Illinois

and

Northern Illinois Gas Company,

d/b/a Nicor Gas Company

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MUNICIPAL GAS USE TAX COLLECTION AGREEMENT

This Municipal Gas Use Tax Collection Agreement (this “Agreement”) is entered into to be effective as of September 1, 2019, by and between Northern Illinois Gas Company, d/b/a Nicor Gas Company, an Illinois corporation (the “Contractor”), and the City of Crystal Lake, Illinois (the “Municipality”), a municipal corporation and home rule unit of local government existing under the Illinois Constitution.

RECITALS

WHEREAS, on April 16, 2019, the Municipality adopted Ordinance No. _____ (the “Tax Ordinance”) pursuant to which the Municipality found that:

(a) the Municipality is a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970;

(b) subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals and welfare; and

(c) in furtherance of its home rule powers, it is necessary and desirable for the Municipality to amend its ordinances regarding taxation by creating a municipal gas use tax; and

WHEREAS, as a result of such findings, the Municipality adopted the Tax Ordinance imposing a Municipal Gas Use Tax (the “Tax”) on gas purchased at retail for use or consumption in the Municipality; and

WHEREAS, the Municipality authorized the execution of an agreement with the Contractor to provide for the collection of the Tax; and

WHEREAS, pursuant to Section 10 of Article VII of the Illinois Constitution of 1970, the Municipality is authorized to contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law or by ordinance; and

WHEREAS, the Municipality and the Contractor have negotiated the terms and conditions pursuant to which the Contractor shall collect the Tax and render other related services.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the Municipality and the Contractor agree as follows:

INCORPORATION OF RECITALS

The recitals set forth above are incorporated by reference as if fully set forth herein.

DEFINITIONS

The following terms shall have the meanings ascribed to them for the purposes of this Agreement:

“Account” means an account that a Person has with the Contractor.

“Agreement” means this Municipal Gas Use Tax Collection Agreement, including all exhibits attached hereto and incorporated herein by reference, and all amendments, modifications or revisions hereto made in accordance with the terms hereof.

“Contractor” has the meaning set forth in the first paragraph of this Agreement.

“Customer” means a Person on the Customer Account List who has a Customer Account.

“Customer Account” means an Account that a Customer has with the Contractor.

“Customer Account List” means a list of addresses of Customer Accounts from which the Contractor will collect the Tax.

“Exempt Customer List” means a document issued by the Municipality listing the names, addresses, account numbers, facilities and meter locations of (i) the Municipality, (ii) Persons exempt by law from the payment of the Tax (other than by an ordinance of the Municipality), and (iii) Persons who are exempt from payment of the Tax pursuant to an ordinance of the Municipality.

“Fee” means the compensation payable to the Contractor for the services provided under this Agreement as more specifically defined in Article 5 of this Agreement.

“Municipality” has the meaning set forth in the first paragraph of this Agreement.

“Person” means any individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, municipal corporation or political subdivision of this state, or a receiver, trustee, conservator or other representative appointed by order of any court.

“Records” means those records and accounts with respect to the Tax on each Customer Account on the Customer Account List, which are kept by the Contractor in the ordinary course of its business.

“State” means the State of Illinois.

“Tax” has the meaning set forth in the Recitals to this Agreement

“Tax Collection Services” means the services described in Article 3 of this Agreement.

“Tax Ordinance” has the meaning set forth in the Recitals to this Agreement.

SERVICES OF THE CONTRACTOR

Tax Collection General Provisions

The Contractor shall perform the services (the “Tax Collection Services”) described in Section 3.2.

The Contractor is acting as an independent contractor in performing under this Agreement and nothing herein is intended or should be construed as in any way creating or establishing the relationship of partners or joint venturers between the Municipality and the Contractor, or as constituting the Contractor or any officer, owner, employee or agent of the Contractor as an agent, representative, fiduciary or employee of the Municipality for any purpose or in any manner whatsoever.

The relationship of the parties with respect to the subject matter of this Agreement, including without limitation the performance of the Tax Collection Services, is strictly contractual and neither party shall have any rights or obligations with respect to the Tax Collection Services other than as are expressly provided in this Agreement. Without limiting the generality of the foregoing, it is specifically understood and agreed that the rights and obligations of the Contractor with respect to the subject matter of this Agreement shall not be deemed to incorporate or be amended, modified or varied in any respect by (i) the provisions of any ordinance (including the Tax Ordinance), mandate or directive that the Municipality has adopted or may adopt in the future even if such ordinance, mandate or directive purports to amend, modify or vary any rights or obligations of the Contractor or to impose any performance standards, charges, damages, assessments, fines or penalties on the Contractor with respect to, or in connection with, the subject matter of this Agreement or (ii) the provisions of any existing or future license, franchise, grant or other agreement.

Tax Collection Services

Collection From Customers

The Contractor will bill the Tax to each Customer on the Customer Account List by including the Tax on the bills issued to the Customer for the Customer Account. The Tax will be billed at the rate of five cents (\$0.05) per therm of gas delivered and billed by the Contractor to such Customer Account. The Contractor will collect the Tax remitted along with any other amounts owed to the Contractor, including any gas and service charges, and any charges pursuant to Sections 9-221 and 9-222 of the Public Utilities Act.

The Contractor will include the Tax on any bill issued to a Customer on the Customer Account List on or after September 1, 2019.

Review of Customer Accounts

Municipality Cooperation with Respect to Customer Accounts

During the Term, the Municipality shall cooperate with the Contractor with respect to the review of Customer Accounts subject to the Tax, including, but not limited to, reviewing Customer Account Lists as described herein.

Initial Customer Account List

The Contractor shall provide the Municipality with the Contractor's initial Customer Account List prior to, or shortly following, commencement of the Tax Collection Services. The Municipality shall promptly review the Customer Account List provided by the Contractor and inform the Contractor in writing of changes to (including additions to, deletions from or other changes to) the Customer Account List within thirty (30) days of receipt of such Customer Account List. If the Municipality informs the Contractor of changes to the Customer Account List and provides supporting information for such changes, the Contractor shall use reasonable efforts to implement any such changes, unless it disputes any such changes from the Municipality, in which case it shall notify the Municipality of the same and the Contractor and the Municipality shall use their best efforts to promptly resolve the same.

Changes to Customer Account List

The Municipality acknowledges that, during the Term, the Contractor will add Customer Accounts to, delete Customer Accounts from and make other changes to the Customer Account List as the Contractor is informed of changes related to Customer Accounts. In addition, if the Municipality informs the Contractor in writing of suggested changes to the Customer Account List and provides supporting information for such changes, the Contractor shall use its reasonable efforts to implement any such changes, unless it disputes any such changes from the Municipality, in which case it shall notify the Municipality of the same and the Contractor and the Municipality shall use their best efforts to promptly resolve the same.

As a means of assisting the Municipality to confirm the accuracy of the Customer Account List on an ongoing basis during the Term, the Contractor may periodically provide to the Municipality a current Customer Account List. The Municipality shall promptly review such Customer Account List and inform the Contractor in writing of changes to (including additions to, deletions from or other changes to) the Customer Account List within thirty (30) days of receipt of such Customer Account List. If the Municipality informs the Contractor in writing of changes to the Customer Account List and provides supporting information for such changes, the Contractor shall use reasonable efforts to implement any such changes, unless it disputes any such changes suggested by the Municipality, in which case it shall notify the Municipality of the same and the Contractor and the Municipality shall use their best efforts to promptly resolve the same. If the Municipality fails to so inform the Contractor in writing of changes to the Customer Account List, the Contractor shall be entitled to assume that the Municipality does not propose any changes to the current Customer Account List.

Accuracy of Customer Account List

The Customer Account Lists shall be compiled by the Contractor from information contained in the Contractor's customer records as such records exist from time to time based on information received by the Contractor from the Municipality in accordance with this Section 3.2B and from other sources of information normally used by the Contractor in the ordinary course of its utility business. The Customer Account Lists are intended to contain the accurate addresses of all Customers who use or consume gas within the Municipality. However, the Municipality specifically acknowledges that the Customer Account Lists compiled by the Contractor in the ordinary course of its business may include mistakes, errors and omissions and that, as a consequence, the Customer Account Lists may fail to include some Persons who use or consume gas within the Municipality or they may include some Persons who do not use or consume gas within the Municipality. The Contractor makes no representation or warranty that the Customer Account Lists will be free from mistakes, errors and omissions. The Contractor shall have no responsibility or liability to the Municipality for any such mistakes, errors or omissions in any Customer Account Lists including, without limitation, any responsibility or liability related to the collection of the Tax from Accounts on the Customer Account Lists or related to the failure to collect the Tax from Accounts not on the Customer Account Lists.

Responsibility for Providing Exempt Customer List

1. Initial Exempt Customer List

It shall be the obligation of the Municipality to provide the Contractor in writing with the Exempt Customer List before the commencement of the Tax Collection Services. In the event the Municipality does not provide the Contractor with an initial Exempt Customer List before the commencement of the Tax Collection Services, the Contractor thereafter may, but shall not be obligated to, compile an initial Exempt Customer List based upon its judgment, made in good faith, of Persons who would qualify as exempt from the Tax and, if the Contractor elects to compile an initial Exempt Customer List, the Contractor shall promptly provide the Municipality in writing with such Exempt Customer List. Upon receipt of the Exempt Customer List by the Contractor, the Contractor shall not include the Tax on any bill issued to a Person on the Exempt Customer List from and after the first day of the second month following the date of receipt of the Exempt Customer List, unless the Contractor disputes the inclusion of any Person on the Exempt Customer List, in which case it shall notify the Municipality of the same and the Contractor and the Municipality shall use their best efforts to promptly resolve the same. In the event the Municipality does not timely provide the Contractor with an initial Exempt Customer List and the Contractor elects to compile an Exempt Customer List, the Contractor may exclude the Tax on any bill issued to a Person on the Exempt Customer List from and after the date the Contractor compiles such Exempt Customer List. The Municipality shall be responsible for updating the Exempt Customer List and shall promptly notify the Contractor of any such updates as they occur.

2. Addition of Persons to Exempt Customer List

Upon receipt by the Contractor of any written update to the Exempt Customer List from the Municipality adding Persons to the Exempt Customer List, the Contractor shall not include

the Tax on any bill issued to a Person added to the Exempt Customer List from and after the first day of the second month following the date of receipt of the updated Exempt Customer List, unless the Contractor disputes the addition of any such Person to the Exempt Customer List, in which case it shall notify the Municipality of the same and the Contractor and the Municipality shall use their best efforts to promptly resolve the same.

3. Removal of Persons from Exempt Customer List

Upon receipt by the Contractor of any written update to the Exempt Customer List from the Municipality removing Persons from the Exempt Customer List, the Contractor shall include the Tax on any bill issued to a Person removed from the Exempt Customer List from and after the first day of the second month following the date of receipt of the updated Exempt Customer List, unless the Contractor disputes the removal of any such Person from the Exempt Customer List, in which case it shall notify the Municipality of the same and the Contractor and the Municipality shall use their best efforts to promptly resolve the same.

4. Accuracy of Exempt Customer List

The Contractor makes no representation or warranty that the Exempt Customer Lists will be free from mistakes, errors and omissions including, without limitation, mistakes, errors or omissions by the Contractor in (i) compiling an initial Exempt Customer List in the event the Municipality fails to timely provide the Contractor with an initial Exempt Customer List or (ii) incorporating information received from the Municipality in the preparation or update of the Exempt Customer Lists. The Contractor shall have no responsibility or liability to the Municipality for any such mistakes, errors or omissions in any Exempt Customer Lists including, without limitation, any responsibility or liability related to the failure to collect the Tax from Accounts on the Exempt Customer Lists or related to the collection of the Tax from Accounts not on the Exempt Customer Lists.

Remittance

The Contractor will remit the Tax collected, net of its Fee, to the Municipality on or before the last day of the first calendar month following the calendar month in which the Tax is collected. The Contractor may remit payment for a calendar month on the basis of estimates made by the Contractor in good faith of the Tax to be billed and collected, and the Fee due, for that calendar month and, in such case, the Contractor will adjust as soon as reasonably practicable subsequent monthly remittances to account for differences between the Contractor's initial estimate of Tax collections, and Fee due, for such calendar month and Contractor's actual Tax collections and the actual Fee due for such calendar month. The Contractor may from time to time change its methodology for estimating in good faith the Taxes to be billed and collected, and the Fee due, for a calendar month. The Contractor ultimately shall only be responsible for remitting to the Municipality the actual amount of Tax collected by the Contractor, net of the Fee applicable thereto, and shall have no obligation to pursue collection efforts on behalf of the Municipality to collect any Tax billed by the Contractor that is not paid. If the Contractor's remittances for a calendar month are based on estimates and the amounts of such estimates are less than the actual Tax ultimately collected for such calendar month, the Contractor shall be responsible for remitting to the Municipality (if not otherwise accomplished through the

adjustment procedure above) the amount, without interest, by which the Tax actually collected for such month, net of the Fee applicable thereto, exceeded the Contractor's previous remittances for such month. If the Contractor's remittances for a calendar month are based on estimates and the amounts of such estimates are more than the actual Tax ultimately collected for such calendar month, the Municipality shall be responsible for remitting to the Contractor (if not otherwise accomplished through the adjustment procedure above) the amount, without interest, by which the Tax actually collected for such month, net of the Fee applicable thereto, is less than the Contractor's previous remittances for such month.

Customer Payments; Collection of Tax by Municipality

The Tax shall be due and payable by a Customer to the Contractor by the due date of the bill on which the Tax is included. The Municipality shall not assess or attempt to collect any Tax from a Customer, provided, however, that the Municipality may attempt to collect the Tax from Accounts subject to dispute between the Municipality and the Contractor pursuant to Section 3.2B., but only during such period as a dispute exists between the Municipality and the Contractor related to such Accounts and, provided, further, that the Municipality shall assume all liability related to the collection of the Tax from such Accounts and the Contractor shall have no responsibility or liability related to the collection of the Tax from such Accounts or related to the failure to collect the Tax from such Accounts. In the event that a Customer attempts to pay the Tax to the Municipality, the Municipality shall use its best efforts to direct the Customer to pay the Tax to the Contractor.

Records and Audits

Records

The Contractor shall use good faith efforts to retain for a three-year period from the date any billing of the Tax Records sufficient to reflect properly such Tax due, billed, collected and/or remitted to the Municipality, and the amount of any Fees deducted by the Contractor as payment for the Tax Collection Services.

Any Records transmitted, disclosed or otherwise made available to the Municipality pursuant to this Agreement shall not include identifying information pertaining to the Customer.

Audits

The Contractor shall keep the Records open to reasonable audit, inspection, copying and abstracting by the Municipality at the Contractor's office at reasonable times during business hours that are agreed to by the Contractor, at the Municipality's expense (which shall include reimbursement of all costs of the Contractor related to any such audit, inspection, copying or abstracting, including labor and overhead charges for employees and agents of the Contractor responding to audit requests) and subject to the Contractor's customer confidentiality policies. Audit requests shall be provided to the Contractor in writing and shall be limited in scope to Records relating to billing and collection of Tax from Customers for the three-year period preceding the date of the audit request. The Contractor shall determine, in its discretion, the manner and format in which such Records are provided to the Municipality. Each employee or

agent of the Municipality participating in the audit shall agree in writing to comply with the confidentiality obligations of the Municipality as specified in Section 3.4 of this Agreement.

If, after conducting an audit, the Municipality believes that the Tax should have been collected from certain Accounts or that the Tax should not have been collected from certain Accounts, the Municipality shall notify the Contractor in writing and provide supporting information as appropriate. The Contractor shall use reasonable efforts to commence or discontinue collection of the Tax from such Accounts, as applicable, on a prospective basis, unless it disputes the Municipality's position with respect to any such Account, in which case it shall notify the Municipality of the same and the Contractor and the Municipality shall use their best efforts to promptly resolve the same. The Municipality shall be solely responsible for collecting the Tax from or refunding the Tax to such Accounts, as applicable, for periods prior to the date that the Contractor commences or discontinues collection of the Tax from such Accounts. Upon the request of the Municipality, the Contractor may provide reasonable assistance to the Municipality in the Municipality's collection or refunding of the Tax.

Liability for Tax Refunds, Disputes

Liability for the Tax shall rest exclusively with the Customer. The Contractor shall not be liable to remit any Tax not actually collected. To the extent a subcontractor or assignee that collects the Tax pursuant to this Agreement is required to transfer the amount of the Tax collected to the Contractor for remittance to the Municipality, the Contractor is responsible for remitting to the Municipality only that portion of the Tax actually received by the Contractor from the subcontractor or assignee.

Any Customer's claim for a refund or other dispute regarding the amount of Tax owed or collected shall be directed to and handled by the Municipality, not the Contractor. In no case shall the Contractor be liable to refund any Tax to a Customer or other amount collected and remitted to the Municipality pursuant to this Agreement. The foregoing shall not limit the Contractor's ability to refund the Tax in such cases where the Contractor reasonably determines that a refund is appropriate and, in any such case, the Contractor shall be entitled to reimbursement from the Municipality for such refund to the extent the amount of the refunded Tax previously had been remitted by the Contractor to the Municipality.

Amendments to Tax Ordinance

In the event that the Tax Ordinance is amended, the Municipality shall provide notice to the Contractor within 14 days of the date that any amended ordinance is passed. If the amended ordinance changes the rate of the Tax, then the Contractor shall collect the Tax at the new rate with respect to bills issued for a Customer Account on or after: (i) the effective date of the new rate of the Tax pursuant to the amended ordinance, which shall be the first day of a calendar month; or (ii) the first day of the calendar month following that date which is three months after the date on which the amended ordinance is passed, whichever is later. If the Tax Ordinance is amended without the prior written concurrence of the Contractor in any manner other than to change the rate of the Tax, the Contractor may at any time from and after the date such amended ordinance is passed terminate this Agreement upon thirty (30) days' written notice to the Municipality.

Subcontracts and Assignments

Assignment by Contractor

Merger or Asset Sale

The Contractor may, without the consent of the Municipality, transfer its rights and obligations under this Agreement, in whole, but not in part, in connection with a merger or a sale, transfer or conveyance of all or substantially all of the Contractor's assets.

Collection Agencies

The Contractor may, without the consent of the Municipality, subcontract, assign or delegate all or any portion of the Tax Collection Services to one or more collection agencies or law firms in the ordinary course of the Contractor's business and consistent with the requirements of this Agreement. Furthermore, the Contractor may, without the consent of the Municipality, permit any of its authorized agents listed on the Contractor's published "Directory of Company Authorized Collection Agents and Company Offices", for example, a bank or a savings and loan, to accept payments from Customers on behalf of the Contractor.

Gas Supplier Agreements

The Contractor may enter into an agreement with a gas supplier to provide billing services to the Contractor. In the event the Contractor enters into such an agreement with a gas supplier, the Contractor may, at the Contractor's sole discretion, (a) continue to collect the Tax with respect to Customers purchasing gas from the gas supplier, (b) subcontract, assign or delegate, without the consent of the Municipality, all or any portion of the Tax Collection Services to the gas supplier with respect to Customers purchasing gas from the gas supplier, or (c) provide notice to the Municipality that those Customers purchasing gas from the gas supplier will not be considered Customers for purposes of this Agreement and will be removed from the Customer Account List on the first day of the month following such notice, in which case the Municipality may enter into a separate agreement with the gas supplier to collect the Tax from such Customers.

Other Assignments

Except as otherwise permitted pursuant to this Section 3.3A., the Contractor shall not subcontract, assign, delegate or otherwise transfer all or any part of its rights or obligations under this Agreement without the express written consent of the Municipality, such consent not to be unreasonably withheld. Any attempted subcontract, assignment, delegation or transfer made without such express written consent shall be void and of no effect.

Conditions of Assignment

All subcontracts or assignments permitted pursuant to this Section 3.3A. (with the exception of transfers permitted pursuant to Section 3.3A.1. and Section 3.3A.3 and subcontracts or assignments where the Municipality approves otherwise pursuant to section 3.3A.4.) shall be deemed conditioned upon performance by the subcontractor or assignee in accordance with the

terms and conditions of this Agreement. If any such subcontractor or assignee approved by the Municipality pursuant to Section 3.3A.4. shall fail to observe or perform the terms and conditions of this Agreement, the Municipality shall have the right upon written notification to require the performance of this Agreement by the Contractor personally or through any other Municipality-approved subcontractor or assignee.

Effect of Municipality Consent

No subcontract or assignment with respect to this Agreement (with the exception of transfers permitted pursuant to Section 3.3A.1. and subcontracts or assignments where the Municipality approves otherwise pursuant to Section 3.3A.4.), nor any acceptance of or payment for any Tax Collection Services by the Municipality, shall relieve the Contractor of any of its obligations hereunder.

Assignment by the Municipality

Without the express written consent of the Contractor, such consent not to be unreasonably withheld, the Municipality shall not subcontract, assign, delegate or otherwise transfer all or any part of its rights or obligations under this Agreement. Any attempted subcontract, assignment, delegation or transfer made without such express written consent shall be void and of no effect.

Notwithstanding the foregoing, the Municipality may, without the consent of the Contractor, (i) assign or otherwise transfer, in whole or in part, its rights to receive the Tax collected hereunder in connection with any debt financing transaction, and (ii) subcontract, assign or delegate all or any part of its rights of assessment and enforcement with respect to the Tax.

Confidentiality

The Contractor and the Municipality hereby agree not to disclose to third parties any information provided to either the Contractor or the Municipality by the other (or by such other party's agents, contractors, or subcontractors), or obtained by either party in the performance of its obligations under this Agreement. This Section 3.4 shall not apply to the following: (a) information available from public sources, (b) information made public by a party other than the Municipality or the Contractor, (c) disclosure by the Contractor to affiliates of the Contractor, or to the Contractor's agents or subcontractors which is necessary for the Contractor to perform its obligations under this Agreement, (d) disclosure required, in the opinion of the disclosing party's legal counsel, by law, judicial or administrative order or where such disclosure is necessary to comply with Federal or state securities laws, (e) disclosure required by any lender providing financing to the Contractor or the Municipality or from whom such financing is sought, (f) disclosure to a Customer regarding his Tax liability or payment, (g) general instructions and/or general information regarding the Tax provided to the public and/or to Customers, (h) disclosure to the Illinois Commerce Commission, and (i) disclosure required under the Illinois Freedom of Information Act.

Furthermore, the Municipality acknowledges that the Contractor's obligations pursuant to this Agreement, including its obligations to provide information or access to information, particularly Records, to the Municipality, are subject to the Contractor's customer confidentiality policies. The Municipality further acknowledges that such customer confidentiality policies may limit the Municipality's access to such information. The Municipality also acknowledges that any Records transmitted, disclosed or otherwise made available to the Municipality pursuant to this Agreement shall not include identifying information pertaining to the Customer.

Compliance with Laws

The Contractor and the Municipality shall at all times observe and comply, in all material respects, with all applicable laws, ordinances, rules, regulations, policies and executive orders of the federal, state and local government which may affect the performance of this Agreement.

TERM

Term of Agreement

Original Term

This Agreement shall take effect as of the date hereof and shall continue until September 1, 2020 (subject to paragraph B below) or until this Agreement is terminated in accordance with its terms, whichever occurs first.

The Contractor's duty to perform the Tax Collection Services shall begin with bills issued to Customers on September 1, 2019 and shall cease (unless otherwise extended hereunder) with respect to bills issued on or after September 1, 2020.

Extension

This Agreement shall automatically extend for successive one-year periods after the original one-year term unless either party elects to terminate this Agreement by written notice delivered to the other party no later than thirty (30) days prior to the end of the then current term or this Agreement is otherwise terminated in accordance with its terms.

COMPENSATION

As compensation for the Tax Collection Services provided hereunder, the Contractor shall be paid a fee (the "Fee") equal to 3% of the amount of Tax collected by the Contractor, its subcontractors or its authorized agents and remitted in accordance with Section 3.2D. The Contractor shall be entitled to deduct the applicable Fee from each remittance of Tax to the Municipality. Payment of the Fee for any Tax actually collected and remitted to the Municipality in accordance with Section 3.2D., whether before or after the effective date of the termination of this Agreement, shall be in accordance with this Article 5.

DISPUTES

The Municipality and the Contractor shall use their best efforts to resolve any disputes arising under this Agreement including disputes as to whether the Contractor failed to remit or timely remit any Tax collected. During any period of dispute resolution, the Contractor shall continue to perform the Tax Collection Services and will be entitled to collect its Fee under Article 5.

REPRESENTATIONS AND WARRANTIES

Contractor's Representations and Warranties

In connection with the execution of this Agreement, the Contractor hereby represents and warrants to the Municipality that the Contractor is legally authorized to execute this Agreement and to perform or cause to be performed the Tax Collection Services.

Municipality's Representations and Warranties

In connection with the execution of this Agreement, the Municipality hereby represents and warrants to the Contractor that the Municipality:

is a municipality duly constituted and validly existing within the meaning of Section 1 of Article VII of the 1970 Constitution of the State and is a home rule unit of government under Section 6(a) of Article VII of said Constitution;

has full power and authority as a home rule unit of government to impose the Tax and to execute this Agreement; and

has duly authorized all necessary action to be taken by it for the imposition of the Tax and the execution and performance of this Agreement.

TERMINATION

Termination Right of Municipality

The Municipality shall have the absolute right to terminate this Agreement by a notice in writing from the Municipality to the Contractor setting forth the effective date of such termination:

if the Tax is preempted, repealed, or determined by a court of competent jurisdiction to be unconstitutional or otherwise invalid; or

upon thirty (30) days' written notice to the Contractor.

If the Municipality elects to terminate this Agreement under this Section 8.1., all Tax Collection Services to be provided hereunder shall cease with respect to bills issued on and after the effective date stated in the notice, which date shall be the first day of a calendar month.

Termination Right of Contractor

The Contractor shall have the absolute right to terminate this Agreement by a notice in writing from the Contractor setting forth the effective date of such termination:

if the Illinois Commerce Commission issues an order prohibiting the Contractor from performing all or part of the Tax Collection Services;

if the Tax is preempted, repealed, or determined by a court of competent jurisdiction to be unconstitutional or otherwise invalid; or

upon thirty (30) days' written notice to the Municipality.

If the Contractor elects to terminate this Agreement under this Section 8.2., all Tax Collection Services to be provided hereunder shall cease with respect to bills issued on and after the effective date stated in the notice, which date shall be the first day of a calendar month.

GENERAL CONDITIONS

Entire Agreement

General

The Contractor and the Municipality acknowledge that this Agreement shall constitute the entire agreement between the parties and no other warranties, inducements, considerations, promises or interpretations shall be implied or impressed upon this Agreement that are not expressly addressed herein and therein.

No Collateral Agreements

The Contractor and the Municipality agree that, except for those representations, statements or promises expressly contained in this Agreement, no representation, statement or promise, oral or in writing, of any kind whatsoever, by either party, its officials, its agents or its employees has induced the other party to enter into this Agreement or has been relied upon by either party including any with reference to (i) the meaning, correctness, suitability or completeness of any provisions or requirements of this Agreement; (ii) the nature of the Tax Collection Services to be performed; (iii) the nature, quantity, quality or volume of any materials, labor or other facilities needed for the performance of this Agreement; (iv) the general conditions which may in any way affect this Agreement or its performance; (v) the compensation provisions of this Agreement; or (vi) any other matters, whether similar to or different from those referred to in clauses (i) through (v) above, affecting or having any connection with this Agreement or the negotiation or performance hereof.

Counterparts

This Agreement is comprised of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.

Amendments

No changes, amendments, modifications or discharge of this Agreement, or any part hereof, shall be valid unless in writing and signed by the authorized agent of the Contractor and by the Municipality or their respective successors and assigns.

Governing Law and Jurisdiction

This Agreement shall be governed as to performance and interpretation in accordance with the laws of the State of Illinois without regard to principles of conflicts of law.

Severability

The invalidity of any one or more phrases, sentences, clauses or sections contained in this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement.

Interpretation

Any headings of this Agreement are for convenience or reference only and do not define or limit the provisions hereof. Words of any gender shall be deemed and construed to include correlative words of the other genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. All references to any exhibit or document shall be deemed to include all supplements and/or amendments to any such exhibits or documents entered into in accordance with the terms and conditions hereof and thereof. All references to any person or entity shall be deemed to include any person or entity succeeding to the rights, duties and obligations of such persons or entities in accordance with the terms and conditions of this Agreement.

Assigns

All of the terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, transferees and assigns.

Invalid Tax or Exemption from Tax; Responsibility for Refunds and Collection

In the event that it is determined by a court or administrative agency of competent jurisdiction that the Tax does not apply to the use of gas by a Customer from whom the Tax was collected and remitted to the Municipality in accordance with this Agreement, it shall be the Municipality's responsibility to make any necessary refunds; the Contractor shall not be responsible for any refunds to the Customer, nor shall the Contractor be required to refund to the Municipality any Fee retained by the Contractor with respect to the Tax collected from that

Customer. If, notwithstanding the foregoing, the Contractor is ordered by a court or administrative agency of competent jurisdiction to make any necessary refunds, the Municipality shall reimburse the Contractor for any such refunds made by the Contractor.

In the event that any aspect of the Tax is found to be invalid or unconstitutional by a court of competent jurisdiction, it shall be the Municipality's responsibility to make any necessary refunds; the Contractor shall not be responsible for any refunds of the Tax to Customers, nor shall the Contractor be required to refund to the Municipality any Fee retained by the Contractor with respect to Tax collected. If, notwithstanding the foregoing, the Contractor is ordered by a court or administrative agency of competent jurisdiction to make any necessary refunds, the Municipality shall reimburse the Contractor for any such refunds made by the Contractor.

In the event that any exemption from the Tax is found to be invalid or unconstitutional by a court of competent jurisdiction, it shall be the Municipality's responsibility to collect any amounts of the Tax then due; the Contractor shall not be responsible to collect any such amounts. If, notwithstanding the foregoing, the Contractor is ordered by a court or administrative agency of competent jurisdiction to collect any amounts of the Tax then due, the Municipality shall reimburse the Contractor for any costs of the Contractor related to the collection of such Tax.

Miscellaneous Provisions

Whenever under this Agreement the Municipality by a proper authority waives the Contractor's performance in any respect or waives a requirement or condition to either the Municipality's or the Contractor's performance, the waiver so granted, whether express or implied, shall only apply to the particular instance and shall not be deemed a waiver forever or for subsequent instances of the performance, requirement or condition. No such waiver shall be construed as a modification of this Agreement regardless of the number of times the Municipality may have waived the performance, requirement or condition.

Whenever under this Agreement the Contractor by a proper authority waives the Municipality's performance in any respect or waives a requirement or condition to either the Municipality's or the Contractor's performance, the waiver so granted, whether express or implied, shall only apply to the particular instance and shall not be deemed a waiver forever or for subsequent instances of the performance, requirement or condition. No such waiver shall be construed as a modification of this Agreement regardless of the number of times the Contractor may have waived the performance, requirement or condition.

Nonliability of Public Officials

No official or employee of the Municipality shall be charged personally by the Contractor or by any assignee or subcontractor of the Contractor with any liability or expenses of defense or be held personally liable to them under any term or provision of this Agreement or because of the Municipality's execution or attempted execution thereof or because of any breach hereof.

Nonliability of the Contractor's Officers, Directors, Employees and Agents

No officer, director, employee or agent of the Contractor shall be charged personally by the Municipality or by any assignee or subcontractor of the Municipality with any liability or expenses of defense or be held personally liable to them under any term or provision of this Agreement or because of the Contractor's execution or attempted execution thereof or because of any breach hereof.

Consequential Damages; Fines; Etc.

Notwithstanding any other provision in this Agreement, neither the Municipality nor the Contractor, or their respective officers, directors, employees, representatives or agents shall be liable to the other for consequential losses or damages, including punitive or exemplary damages, arising out of or incurred in connection with the Tax Collection Services. The Municipality and the Contractor each hereby release each other and their subcontractors, officers, directors, employees, representatives and agents from any such liability.

The Contractor shall not be liable to the Municipality for any fine, assessment, penalty, forfeiture, fee, interest payment or other charge in connection with the Tax Collection Services or this Agreement notwithstanding any present or future ordinance, mandate or directive adopted by the Municipality that may purport to authorize the Municipality to assess any such fine, assessment, penalty, forfeiture, fee, interest payment or other charge to the Contractor in connection with the Tax Collection Services or this Agreement.

The Municipality shall not seek to impose any lien or encumbrance upon any property of the Contractor, or seek to revoke, modify or refuse to renew or grant any license, right or franchise of the Contractor as a means, directly or indirectly, to seek to compel compliance by the Contractor with this Agreement or in connection with any dispute relating to the performance of the Tax Collection Services or any obligations of the Contractor relating thereto.

Limitation of Liability

To the fullest extent permitted by law, the cumulative maximum liability of the Contractor to the Municipality with respect to claims and costs arising out of the performance or nonperformance of the Tax Collection Services shall not exceed the amount of the Contractor's Fee paid to the Contractor during the period that is one year prior to the date on which the Municipality commences an action against the Contractor.

Indemnification by Municipality Related to Imposition of Tax

The Municipality agrees to indemnify, defend and hold harmless the Contractor, including its officers, agents and employees, against any liability, loss, costs and expenses, including all costs of litigation and all reasonable attorneys' fees, that the Contractor, including its officers, agents and employees, incur, sustain or are subject to that results from or arises out of any claim, cause of action or litigation wherein another party asserts that any aspect of the Tax (including any exemption from the Tax) is unconstitutional under the United States or Illinois constitutions or otherwise invalid.

Limitation Period on Actions

No action, regardless of form, arising out of this Agreement, or alleging any breach of this Agreement, may be brought by either the Contractor or the Municipality against the other party more than three years after such an action accrued.

Survival

All provisions that by their inherent character should survive termination of this Agreement, shall survive the termination of this Agreement.

NOTICES

Notices provided for herein, unless expressly provided for otherwise in this Agreement, shall be in writing and may be delivered personally or by placing in the United States mail, first class and certified, return receipt requested, with postage prepaid and addressed as follows:

If to the Municipality: City of Crystal Lake
 100 W. Woodstock Street

 Crystal Lake , Illinois 60014

 Attention: Director of
 Finance

If to the Contractor: Nicor Gas Company
 1844 Ferry Road
 Naperville, Illinois 60563-9600
 Attention: Billing Manager

With a Copy to: Nicor Gas Company
 1844 Ferry Road
 Naperville, Illinois 60563-9600
 Attention: Community Relations Manager

Changes in the above-referenced addresses must be in writing and delivered in accordance with the provisions of this Article 10. Notices delivered by mail shall be deemed received three days after mailing in accordance with this Article 10. Notices delivered personally shall be deemed effective upon receipt.

AUTHORITY

Municipality’s Authority

This Agreement is entered into by virtue of the home rule authority conferred on the Municipality under Section 6(a), Article VII of the 1970 Constitution of the State.

Contractor's Authority

Execution of this Agreement by the Contractor is authorized by bylaws or a resolution of its Board of Directors, and the signature of each person signing on behalf of the Contractor have been made with complete and full authority to commit the Contractor to all terms and conditions of this Agreement.

IN WITNESS WHEREOF, the Municipality and the Contractor have executed this Agreement to be effective as of the date first set forth above.

CITY OF CRYSTAL LAKE

By: _____

Its: _____

Date: _____

NORTHERN ILLINOIS GAS COMPANY, d/b/a/
NICOR GAS COMPANY

By: _____

Its: _____

Date: _____

DRAFT



RESOLUTION NO. 19R-

**APPROVAL OF THE VEHICLE LEASING AND REPLACEMENT PROGRAM FOR
THE 2019-2020 FISCAL YEAR.**

WHEREAS, at the May 1, 2018 City Council Meeting, the City Council approved a Vehicle Leasing and Replacement Program (the “VLR Program”) with Enterprise Fleet Management, Inc. for City vehicles through The Interlocal Purchasing System (TIPS) for a term of five years, with an option to renew for an additional five years; and

WHEREAS, the City Council authorized the City Manager to execute on behalf of the City a Master Equity Lease Agreement, Full Maintenance Agreement, and Maintenance Management and Fleet Rental Agreement with Enterprise Fleet Management, Inc.; and

WHEREAS, the City Council declared City vehicles to be surplus when the City Manager determined that various City-owned vehicles were no longer necessary to the City or otherwise need to be replaced for use by the City within parameters outlined in the May 1, 2018 Resolution; and

WHEREAS, the present value of lease payments are recognized as capital outlay (expense) offset by an equal amount in lease financing (revenue). Annual lease payments are budgeted as debt service – lease payments in the Capital and Equipment Replacement Fund and in the Water & Sewer Capital and Equipment Replacement Fund.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CRYSTAL LAKE hereby approves the VLR Program for the 2019-2020 Fiscal Year in an amount not to exceed \$925,821 which has been budgeted for the Vehicle Leasing and Replacement Program in the Crystal Lake 2019-2020 Fiscal Year Budget, and authorizing the City Manager to take any actions necessary to facilitate the 2019-2020 Vehicle Leasing and Replacement Program. The budgeted amount includes the vehicles scheduled for the VLR Program in 2019-2020 as well as previously approved leased vehicles.

BE IT FURTHER RESOLVED that the listing of vehicles to be leased as part of the 2019-2020 VLR are as follows:

City Administration
Ford Taurus CMO #20

Police
Police Vehicle #1002
Police Vehicle #1003
Police Vehicle #1006

Police Vehicle #1007
Police Vehicle #1010
Police Vehicle #1011
Police Vehicle #1020
Police Vehicle #1021
Police Vehicle #1023
Police Vehicle #1025
Police Vehicle #1026
Police Vehicle #1027
Police Vehicle #1030
Police Vehicle #1032
Police Vehicle #1034
Police Vehicle #1037
Police Vehicle #1040
Police Vehicle #1041
Police Vehicle #1042
Police Vehicle #1043
Police Vehicle #1044

Community Development

Community Development Vehicle CD #41

Public Works

Hybrid SUV #18
Dump/Plow Truck #403
Grapple Truck Chasis #405
Dump/Plow Truck #406
Dump/Plow Truck #407
Dump/Plow Truck #408
Aerial Boom Tuck #409
Dump/Plow Truck #411
Mini Dump Truck #412
Dump/Plow Truck #414
Dump/Plow Truck #415
Dump/Plow Truck #416
Dump/Plow Truck #417
Street Sweeper #424
Dump/Chipper/Plow Truck #429
Dump/Plow Truck #433

Fire Rescue

Fire Rescue Vehicle #302
Fire Rescue Vehicle #333
Fire Rescue Vehicle #336
Fire Rescue Vehicle #359

Water & Sewer Operations

Ford Taurus #501

Pickup Truck #539
Service/Crane Truck #540
Service Van #541
Service Truck #542
Dump/Plow Truck #550
Dump/Plow Truck #555
Vactor #611
Service Truck #614
Pickup Truck #702

DATED at Crystal Lake, Illinois, this 16th day of April, 2019.

APPROVED:

Aaron T. Shepley, Mayor

ATTEST:

Nick Kachiroubas, City Clerk

PASSED: April 16, 2019

APPROVED: April 16, 2019

DRAFT



RESOLUTION NO. 19R-

NORTHWEST MUNICIPAL CONFERENCE MEMBERSHIP WITHDRAWAL

WHEREAS, the City is currently a member of the Northwest Municipal Conference (NWMC), and

WHEREAS, the NWMC works to strengthen communities and enhance intergovernmental relationships in the north and northwest suburbs of Chicago, and

WHEREAS, the City has received value in its past relationship in the NWMC, but has determined that, as a cost cutting measure, it needs to withdraw its membership from the NWMC.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CRYSTAL LAKE hereby withdraws its membership from the Northwest Municipal Conference effective April 30, 2019.

DATED at Crystal Lake, Illinois, this 16th day of April, 2019.

APPROVED:

Aaron T. Shepley, Mayor

ATTEST:

Nick Kachiroubas, City Clerk

PASSED: April 16, 2019

APPROVED: April 16, 2019