



CITY OF CRYSTAL LAKE
AGENDA
CITY COUNCIL
REGULAR MEETING
City of Crystal Lake
100 West Woodstock Street, Crystal Lake, IL
City Council Chambers
March 3, 2020
7:30 p.m.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Business Anniversary Recognition – Crystal Lake Travel and Neis Insurance**
5. **Approval of Minutes – February 18, 2020 Regular City Council Meeting**
6. **Accounts Payable**
7. **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.
8. **Mayor's Report**
9. **City Council Reports**
10. **Consent Agenda**
 - a. **Class 16 Temporary Liquor License Request, McHenry County Adult Program Spring Fundraiser – April 4, 2020**
 - b. **2020 Woods Creek Feet Meet Special Event Request and Application Fee and Police Officer Assistance Fees – April 26, 2020**
11. **City Code Amendment to Increase the Number of Class 14 Liquor Licenses – Applicant: Denault Keilman LLC, DBA Urban Air Crystal Lake**
12. **78 N. Williams Street, The Core Bodyworks – Special Use Permit for a massage establishment**
13. **7615 Route 14, McDonald's Restaurant – Special Use Permit Amendment and Sign Variation to allow changes to approved elevations, site plan and wall signage**
14. **Private Activity Bond Volume Cap Reservation**
15. **Independence Day Fireworks Show and Donation Acceptance**
16. **Professional Audit Services Proposal Award**
17. **Recreational Cannabis Quadrants Discussion and Text Amendment Referral to the Planning and Zoning Commission**
18. **Council Inquiries and Requests**

19. **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**
20. **Reconvene to Regular Session**
21. **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: 4

**City Council
Agenda Supplement**

Meeting Date:

March 3, 2020

Item:

Business Anniversary Recognition

Staff Recommendation:

Recognize and honor Neis Insurance and Crystal Lake Travel with a proclamation and plaque for their anniversaries.

Staff Contact:

Heather Maieritsch, Economic Development Manager

Background:

40th Anniversary

Neis Insurance Agency, located at 45 N. Virginia Street, is celebrating 40 years in Crystal Lake. Neis Insurance Agency has experienced tremendous growth, both locally and nationally. Since 1990, the agency has gone from handling \$4 million in business to \$25 million. Despite the rapid growth, Neis Insurance Agency maintains strong personal relationships with their clientele. Over the past ten years, Neis has retained 93% of their clients, all while expanding in the insurance policy sectors. The company continues to grow and acquire companies including Wells Fargo Special Clients in 2014 and Kent Insurance Agency in 2018.

Owners Melissa Neis and Tom Neis will be present to accept the plaque.

60th Anniversary

Crystal Lake Travel, located at 13 Crystal Lake Plaza, is celebrating 60 years in Crystal Lake. Crystal Lake Travel has sustained growth and progress since 1960, giving them the ability to provide preferred levels of pricing and inventory from vendors to their customers. Their mission has been to provide intelligent information, experience and value to each and every customer and helping people plan the trips and experiences of their dreams.

Owner Patty DeRoo will be present to accept the plaque.



Agenda Item No: 5

**City Council
Agenda Supplement**

Meeting Date: March 3, 2020

Item: Minutes of the February 18, 2020 Regular City Council Meeting

Staff Recommendation: Motion to approve the minutes

Staff Contact: Nick Kachiroubas, City Clerk
Melanie Nebel, Executive Assistant

Background:

Attached are draft minutes for the February 18, 2020 Regular City Council meeting. Should the Council have any questions, changes or corrections, please advise the City Clerk or Melanie Nebel, Executive Assistant, prior to the City Council meeting, if at all possible. Thank you.

Votes Required to Pass:

Simple majority



Agenda Item No. 6

City Council Agenda Supplement

Meeting Date: March 3, 2020

Item: Accounts Payable List

Staff Recommendation: Approve

Staff Contact: Jodie Hartman, Director of Finance

Background:

Attached is the Accounts Payable list for the March 3, 2020 City Council meeting. This list includes bills received since the last Council approval on February 18, 2020 to date. Should the Council have questions regarding any of the items listed, please contact me.

Votes Required to Pass:

Simple majority.

Action Taken:



Agenda Item No: 10a

**City Council
Agenda Supplement**

Meeting Date:

March 3, 2020

Item:

Class 16 Temporary Liquor License Request –
McHenry County Adult Program

Staff Recommendation:

Motion to approve issuance of a Class 16 Temporary
Liquor License to the McHenry County Adult Program

Staff Contact:

Eric T. Helm, Deputy City Manager

Background:

The City has received a request from the McHenry County Adult Program for the issuance of a Class 16 Temporary Liquor License in order to sell beer and wine at their annual Spring Fundraiser being held at the St. Elizabeth Ann Seton Church Community Center, located at 1023 McHenry Avenue, on Saturday, April 4, 2020 from 6:00 p.m. to 12:00 a.m. Alcohol will only be served until 10:00 p.m. The City Council approved this request last year.

Section 329-5-P of the City Code permits the issuance of a Class 16 Temporary Liquor License for the retail sale of beer and wine for consumption upon the premises specified in the license where sold. The license shall be issued to not-for-profit corporations qualified to do business in the State of Illinois. The license shall be for a period not to exceed three (3) days, and shall be issued only for special events sponsored by the not-for-profit corporation requesting the license.

Attached for City Council review is a copy of all support documentation regarding this request.

Votes Required to Pass:

Simple majority



Agenda Item No: 10b

**City Council
Agenda Supplement**

<u>Meeting Date:</u>	March 3, 2020
<u>Item:</u>	Woods Creek Feet Meet
<u>Staff Recommendation:</u>	Motion to approve the Special Event for the 2020 Woods Creek Feet Meet, pursuant to the recommended conditions and to waive the application fee (\$50) and Police Officer assistance fees (\$1,507.80) for this event.
<u>Staff Contact:</u>	Michelle Rentzsch, Director of Community Development

Background:

The Woods Creek Feet Meet Committee has submitted a special event permit application for the 2020 Woods Creek Feet Meet. The 2020 Feet Meet will be Sunday, April 26 beginning at 8:00 a.m. Additionally, they are requesting a Crystal Lake Police Detail to help with the street closure.

As part of their application, they are requesting the closure of Alexandra Boulevard from an area west of Dogwood Drive to an area east of Driftwood Lane. The 1-Mile Walk/Run begins at 8:00 a.m. and the 5K Walk/Run begins at 8:30 a.m. The City Council has approved similar requests in previous years.

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

- 1) The volunteers for both races carry cellular phones or radios to contact 911 in case of an emergency. Volunteers are not to direct traffic.
- 2) The Woods Creek Feet Meet Committee must coordinate with the Crystal Lake Police Department regarding assistance during the event.
- 3) "Race In Progress" signs must be posted a minimum of two days prior to the event.
- 4) City-owned barricades must be used to block off the street closure sections. Barricades shall be placed to allow access to existing crosswalks. A barricade borrowing application has been submitted.
- 5) The petitioner must send a notice to all affected property owners along Alexandra Boulevard.

- 6) Emergency vehicle access must be maintained throughout the event. Items should not be placed on the roadway to prohibit access, and volunteers should be available to remove barricades to allow emergency vehicles on the roadway, if necessary.
- 7) Local traffic access to Alexandra Boulevard must be maintained throughout the event. Volunteers should be available to remove barricades to allow property owners on the roadway, if necessary.
- 8) All debris created by the event needs to be cleaned up during and after the event.
- 9) Streets are not to be marked with paint or any permanent materials.
- 10) The petitioner must sign the required Indemnity/Hold Harmless agreement. A signed form has been provided.
- 11) Promotional and informational banners and signage may need a limited duration sign permit issued from the Building Division. Please contact the Building Division regarding signage to be used in conjunction with the event.
- 12) If tents or canopies will be used, the petitioner needs to contact the Fire Rescue Department for further review.
- 13) In the case of inclement weather, an alternate date can be approved by the City Manager.

In past years, the City Council has approved the closure of this portion of Alexandra Boulevard for the start of the event. The City Council has also waived the application fees and the chargeback fees for the Police Officers assisting with the race. The Police Department estimates that the chargeback fees would not be more than \$1,507.80.

The applicant has been made aware of these recommended conditions and advised to attend the March 3, 2020, City Council meeting to answer any questions.

Votes Required to Pass:

A simple majority vote.



Agenda Item No: 11

**City Council
Agenda Supplement**

Meeting Date:

March 3, 2020

Item:

City Code Amendment to Increase the Number of Class 14 Liquor Licenses – Applicant: Denault Keilman, LLC, DBA Urban Air Crystal Lake.

Staff Recommendation:

Motion to adopt an ordinance increasing the number of Class 14 liquor licenses from the currently permitted 4 licenses to 5 licenses, in order to allow for the issuance of a new Class 14 liquor license to Denault Keilman, LLC, DBA Urban Air Crystal Lake, located at 220 Exchange Drive, Suite F, subject to the recommended conditions.

Staff Contact:

Eric T. Helm, Deputy City Manager
Melanie Nebel, Executive Assistant

Background:

Denault Keilman, LLC, DBA Urban Air Crystal Lake, located at 220 Exchange Drive, Suite F, is requesting a Class 14 Liquor License to serve beer and wine only in the café area (with hightop tables) of their existing facility.

The café totals 1,058 square feet, including the kitchen/counter area and high top tables. (see attached diagram and picture, café area circled in red). The applicant has outlined the following regulations regarding the sale and consumption of alcohol at the location that will be implemented if a liquor license is approved.

Only beer and wine will be served. The general manager and café manager would monitor alcohol sales, with wristbands given to patrons served alcohol. Logs will be maintained for all alcohol sales. Patrons served alcohol will not be allowed to utilize the trampolines or any other equipment or rides, and alcohol must remain in the café area.

Urban Air has been open at this location since May 2018. There are no zoning issues with the request.

If the request is approved, it is recommended the following conditions be added to the license, all of which have been agreed to by the applicant:

1. Only beer and wine will be sold/served.
2. Alcohol must remain in the café area.
3. Wristbands will be given to patrons served alcohol and logs kept of all alcohol sales.

4. The general manager and café manager will monitor alcohol sales.
5. Patrons served alcohol will not be allowed to utilize the trampolines or any other equipment or rides.

The City Code authorizes the retail sale of beer and wine for consumption only on the premises specified in the license where sold between the hours of 11:00 a.m. and 1:00a.m. Monday, Tuesday, Wednesday, Thursday; 11:00 a.m. and 2:00 a.m. Friday and Saturday; and noon on Sunday and 1:00 a.m. on Monday. A Class A type restaurant may be located on the premises.

The annual fee for such a license shall be \$1,000.

The applicant has submitted an application and background checks have been completed.

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

- Payment of Prorated License Fee
- Proof of Liquor Liability Insurance
- \$1,000 Surety Bond

The following establishments currently hold a Class 14 Liquor License:

Asian Buffet and Grill	18 Crystal Lake Plaza	“B-2 PUD”
Chuck E Cheese	4725 Northwest Highway (Rose Plaza)	“B-2”
Portillo’s	855 Cog Circle (Archway East)	“B-2 PUD”
McHenry County College	8900 Northwest Hwy	“W”

The attached ordinance approves an increase in the number of Class 14 liquor licenses in order to allow the serving of beer and wine only at 220 Exchange Drive, Suite F.

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:

Class 14 License shall be increased from 4 to 5 to allow for the issuance of a new Class 14 liquor licenses to Denault Keilman, LLC, DBA Urban Air Crystal Lake, located at 220 Exchange Drive, Suite F, subject to the recommended conditions.

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 3rd day of March, 2020.

City of Crystal Lake, an
Illinois municipal corporation

Aaron T. Shepley, Mayor

SEAL

ATTEST

CITY CLERK

PASSED: March 3, 2020
APPROVED: March 3, 2020



Agenda Item No: 12

**City Council
Agenda Supplement**

<u>Meeting Date:</u>	March 3, 2020
<u>Item:</u>	REPORT OF THE PLANNING & ZONING COMMISSION
<u>Request:</u>	Special Use Permit for a Massage Establishment
<u>Petitioner:</u>	Holly Tomal, petitioner
<u>PZC Recommendation:</u>	Motion to approve the PZC recommendation and adopt an Ordinance granting the Special Use Permit for a massage establishment at 78 N. Williams Street.
<u>Staff Contact:</u>	Michelle Rentzsch, Director of Community Development Elizabeth Maxwell, City Planner

Background:

- The petitioner has operated as a massage therapist in the City for 17 years. Previously the business was at 81 N. Williams Street, and she recently moved to a smaller space at 78 N. Williams Street.
- The business was in operation prior to requiring the Special Use Permit. Since it relocated to a new space, it was required to obtain the SUP.

PZC Highlights:

- The PZC was supportive of the request for a Special Use Permit and noted that in the several years that she has been in business there have been no issues or police activity.
- The PZC suggested staff look at a way to approve these types of requests administratively.
- They found that the request met the Findings of Fact.

PZC Vote:

The PZC recommended **approval (7-0)** of the petitioner's request for a Special Use Permit with the following conditions:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
 - A. Application (Tomal, received 01/24/20)
 - B. Floor Plan (Tomal, received 01/24/20)
2. A license for massage establishments is required. The petitioner must comply with the Massage Establishment License requirements.
3. The petitioner shall address all of the review comments and requirements of the Community Development, Fire Rescue and Police Departments.

Votes Required to Pass: A simple majority.



Agenda Item No: 13

**City Council
Agenda Supplement**

<u>Meeting Date:</u>	March 3, 2020
<u>Item:</u>	REPORT OF THE PLANNING & ZONING COMMISSION
<u>Request:</u>	<ol style="list-style-type: none">1. Special Use Permit Amendment to allow changes to the approved elevations and site plan, and2. Sign variation to allow 97 square feet of wall signage, a variation of 22 feet.
<u>Petitioner:</u>	Lisa Donmeyer and Joe Kerchner, Lingle Design Group for McDonald's restaurant, petitioner
<u>PZC Recommendation:</u>	To approve the PZC recommendation and adopt an Ordinance granting the Special Use Permit Amendment and Sign Variation to allow changes to the approved elevations, site plan and wall signage at 7615 Route 14.
<u>Staff Contact:</u>	Michelle Rentzsch, Director of Community Development Kathryn Cowlin, Assistant City Planner

Background:

- The subject property is an existing McDonald's restaurant and BP gasoline station.
- A Special Use Permit was granted in 2011 for the drive-through restaurant and gasoline station through the annexation of the property. The existing signage was allowed to remain through the annexation agreement.

Request:

- The petitioner is requesting to amend the Special Use Permit to allow for changes to the elevations and site plan. Included in the request is a sign variation of 22 square feet to allow for a total of 97 square feet of wall signage.
- The updates to the elevations include removing the red roof, adding a corrugated metal parapet, painting the CMU block in gray tones, adding metal awnings and adding fiber cement tile accent walls near the entryways.
- The BP side of the building would not be altered at this time.
- There are five signs proposed for a total of 97 square feet of wall signage. The variation is required for the total square footage of wall signage. Corner tenants in multi-tenant buildings are permitted 75 square feet of signage per the UDO.

PZC Highlights:

- The petitioner reviewed the proposed changes to elevations and discussed the recommended condition to add the fiber cement tile to the façade around the drive-through window. The petitioner shared this part of the building is usually the most hit/damaged and McDonald's would prefer to keep the existing CMU block.
- The PZC agreed with the petitioner and revised the recommended condition to work with staff on enhancing the elevation facing Route 176.
- There was a discussion on the sign request and the petitioner stated that the removal of the illuminated roof was a reduction in signage.
- The majority of the PZC felt the lot shape and location was a hardship.
- The PZC stated that the Findings of Fact had been met.
- **Following the PZC meeting, the petitioner agreed with staff to add a parapet wall, like the McDonald's on Route 31 to enhance the elevation facing Route 176.**

The PZC recommended **approval (6-1)** of the petitioner's request with the following conditions:

1. Approved plans, to reflect staff and advisory board comments, as approved by the City Council:
 - A. Application (Lingle Design Group, dated 1/14/2020, received 1/15/2020)
 - B. Elevations (Lingle Design Group Inc, dated 12/20/2019, received 01/15/2020)
 - C. Site Plan (Lingle Design Group Inc, dated 12/20/2019, received 01/15/2020)
 - D. Sign Plan (Everbrite, dated 03/01/2017, received 01/16/2020)
- ~~2. Provide Iron Mountain colored fiber cement panels on the columns where the drive-through windows are located instead of the paint. Work with staff to address the façade facing Route 176. (Revised by PZC)~~
3. The dead and dying foundation landscaping must be replaced and some areas updated with new vegetation, ornamental grasses and annual flowers. Work with staff to meet the UDO requirements.
4. Expand the garbage enclosure area or indicate how all the waste and recycling receptacles will be fully enclosed. The garbage enclosure must be painted the same color as the building.
5. The petitioner shall comply with all of the requirements of the Community Development and Fire Rescue Departments.

Votes Required to Pass:

A simple majority.



Agenda Item No: 14

**City Council
Agenda Supplement**

Meeting Date: March 3, 2020

Item: Private Activity Bond Volume Cap Reservation

Recommendation: Motion to adopt an ordinance reserving the State of Illinois volume cap for private activity bonds.

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

Background: The City of Crystal Lake received notification from the Governor's office regarding the reservation of Crystal Lake's volume cap. Private activity bonds can be issued as Industrial Revenue Bonds using the volume cap allocation. The State requires that all eligible municipalities pass an Ordinance to reserve their volume cap for the fiscal year.

For 2020, each home rule municipality is authorized a volume cap amount equal to \$105 per capita. Using this formula, Crystal Lake's allocation equals \$4,203,780, based upon the State's assigned population of 40,036.

At this time, there have been no official applications from private businesses for the City to allocate our volume cap in the form of Industrial Revenue Bonds. However, staff has had discussions with businesses recently regarding the issuance of Industrial Revenue Bonds for pending or prospective developments. According to the State Office of Management and Budget, after the volume cap has been reserved, the municipality is supposed to allocate the amount reserved for private activity bonds by December 31 of that year. If the City does not allocate our volume cap by December 31, we can request to carry-over our allocation for up to three years for a variety of different projects, but not for qualified small issue bonds (Industrial Revenue Bonds). The attached Ordinance reserves the City's allocation for possible future use.

There is no obligation to the municipality in issuing Industrial Revenue Bonds. All the payment responsibility rests with the private party. The lien is on the property, secured by the Industrial Revenue Bonds. Under Federal law, the City can utilize the authorized volume cap as additional incentive for industrial firms to relocate or expand facilities within its jurisdiction. Industrial Revenue Bonds can be attractive to industrial firms because of the difference to the bond buyers between the tax-free interest rates and the prevailing taxable interest rates.

Votes Required to Pass: A simple majority vote.

DRAFT

ORDINANCE NO. _____
FILE NO. 140



**AN ORDINANCE RESERVING VOLUME CAP IN CONNECTION WITH
PRIVATE ACTIVITY BOND ISSUES, AND RELATED MATTERS.**

WHEREAS, the City of Crystal Lake, McHenry County, Illinois (*the "Municipality"*), is a Municipality and a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (*the "Code"*), provides that the Municipality has volume cap equal to \$105 per resident of the Municipality in each calendar year, which volume cap may be reserved and allocated to certain tax-exempt private activity bonds; and

WHEREAS, the Illinois Private Activity Bond Allocation Act, *30 Illinois Compiled Statutes 1998, 345/1 et seq.*, as supplemented and amended (*the "Act"*), provides that a home rule unit of government may transfer its allocation of volume cap to any other home rule unit of government, the State of Illinois or any agency thereof or any non-home rule unit of government; and

WHEREAS, it is now deemed necessary and desirable by the Municipality to reserve all of its volume cap allocation for calendar year 2020 to be applied toward the issuance of private activity bonds (*the "Bonds"*), for unidentified projects, as provided in this Ordinance, or to be transferred, as permitted by this Ordinance.

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

SECTION I: That, pursuant to Section 146 of the Code and the Act, the entire volume cap of the Municipality for calendar year 2020, in the amount of \$4,203,780, based upon the State of Illinois assigned population of 40,036, is hereby reserved by the Municipality, which shall issue Bonds using such volume cap, or shall transfer such cap, without further action required on the part of the Municipality; and the adoption of this Ordinance shall be deemed to be an allocation of such volume cap to the issuance of the Bonds or such other bonds, provided

that any such transfer shall be evidenced by a written instrument executed by the Mayor or any other proper officer or employee of the Municipality.

SECTION II: That the City of Crystal Lake shall maintain a written record of this Ordinance in its records during the term that the Bonds or any other such bonds to which such volume cap is allocated remain outstanding.

SECTION III: That the Mayor, the City Clerk and all other proper officers, officials, agents and employees of the Municipality are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Ordinance.

SECTION IV: That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase, or provision of this Ordinance shall for any reason be declared to be invalid, such declaration shall not affect the remainder of the sections, phrases, and provisions of this Ordinance.

SECTION V: That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

DATED at Crystal Lake, Illinois, this 3rd day of March, 2020.

MAYOR

ATTEST:

CITY CLERK

PASSED:

APPROVED:



Agenda Item No: 15

City Council Agenda Supplement

Meeting Date: March 3, 2020

Item: Independence Day Fireworks Show and Donation Acceptance

Staff Recommendation:

- 1) A motion adopting a resolution authorizing the City Manager to accept two donations in the amount of \$10,000 and \$15,000 designated for the 2020 Independence Day Fireworks Show, per City Code Chapter 102.
- 2) Motion to adopt a resolution authorizing the City Manager to execute a contract with American Fireworks for the 2020 fireworks show in the amount of \$55,000, and the 2021 fireworks show in the amount of \$30,000, and authorizing the City Manager to approve up to 10 percent in justifiable contract amendments from a contingency allowance.

Staff Contact: Eric T. Helm, Deputy City Manager
Paul DeRaedt, Fire Rescue Chief

Background:

At the March 20, 2018 City Council meeting, the City Council authorized the approval of a contract with American Fireworks for the Independence Day fireworks show in 2018 and 2019. The resolution approving the contract also contemplated two optional one-year contract extensions for 2020 and 2021. The bid results considered by the City Council on March 20, 2018 are depicted in Table 1.

Table 1

<u>Fireworks Display Show Totals</u>	<i>American Fireworks</i> √	Mad Bomber	Melrose Pyrotechnics	Zambelli Fireworks	J & M Displays
2018, \$35,000:	<i>2,554 Shells</i>	1,762 Shells	1,556 Shells	1,795 Shells	14,000* Shells
2019, \$25,000:	<i>1,948 Shells</i>	1,264 Shells	1,144 Shells	1,295 Shells	12,000* Shells

*J & M Displays submitted a fireworks show using a majority of the lower altitude 'cakes' as described above. The Request for Proposals required shows using a majority of three to six inch fireworks shells.

√ Indicates lowest responsive and responsible bidder.

City staff recommends that the Council authorize the two optional one-year contract extensions with American Fireworks for the show dates of July 5, 2020 and July 4, 2021. City staff is recommending the execution of the contract extension for several reasons.

First, American Fireworks submitted a proposal for the 2020 and 2021 show that correspond with the original bid pricing and show scope. In addition, American Fireworks has also offered to enhance the 2020 and 2021 show with more special effect shells and to increase the number of shells designated for the main body of the show. The American Fireworks show proposal is attached to this agenda supplement and summarized in table 2.

Table 2

Show Year	Number of Shells
July 5, 2020 and July 4, 2021	\$30,000 Show: 2,088 shells \$55,000 Show: 6,628 shells

Second, the City and private donors have been pleased with the previous shows provided by American Fireworks. The City’s Fire Rescue Department has been satisfied with the safety of the show and the contractor’s employees who manage and operate the show. The vendor has extensive experience in providing shows throughout the country. Previously, staff contacted references in Carbondale, Illinois; Lakewood, Ohio; Cleveland, Ohio; St. Clair, Michigan; and Hoosier Park Casino in Indiana, and received positive feedback for American Fireworks’ services. American Fireworks has also performed floating platform shows similar to Crystal Lake’s show in Cleveland, Ohio, and St. Clair, Michigan.

Finally, it is important that the City execute a contract in advance with American Fireworks for the July 4, 2021 show. Typically, the City’s fireworks show is not held on July 4th, which has allowed the City to more easily secure a show vendor and receive advantageous pricing. Since the City will be competing with other areas shows in 2021, it is recommended that the City execute a contract for the show well in advance.

General Information:

City staff has requested proposals for a \$30,000 show and a \$55,000 show based on the availability of donated funds. The City annually budgets \$30,000 for a base fireworks show. Private donations have funded the shows in excess of this amount. Since donations have already been secured for 2020, City staff recommends approving a contract with American Fireworks for a \$55,000 show in 2020. For 2021, since donations have not been secured for this year, City Staff is recommending approving a contract for \$30,000. If future donations are secured, the City Council may consider a contract amendment in early 2021, increasing the show size for 2021 to match the donation amount.

The fireworks display will be located on the lake, as has been done in past years, with the display to be set up on a floating platform on the lake. The Fire Rescue Department will be the lead City agency coordinating the Contractor’s activities.

Platform:

The assembly of the show will take place near the center of the lake so that nearby roads can be reopened to traffic. No wake restrictions on the lake are in effect during the entire time the fireworks are on site. The City will coordinate the tow of the floating platform. The Fire Rescue Department will assign one of its members to transport the fireworks vendor to and from the shore during the course of the day as needed. The Crystal Lake Park District and the Fire Rescue Department will maintain a safe perimeter between the floating platform and boaters and swimmers during set up and the show.

Donation Information:

Two individuals, who wish to remain anonymous, have offered to donate funds to expand the 2020 show. One donation is proposed for \$10,000 and the other donation is proposed for \$15,000. As the City Council may recall, in 2017, 2018 and 2019 the City also received a donation to expand the show. These donations will allow the City to further increase the size and intensity of the show. Chapter 102 of the City Code establishes a formal process for the acceptance and documentation of donations made to the City; therefore, City staff recommends that these donations be formally accepted by the City and designated toward the fireworks show.

Votes Required to Pass:

Simple majority.

DRAFT

Res. _____



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 accept two donations designated for the 2020 Independence Day fireworks show in the amounts of \$10,000 and \$15,000.

DATED this 3rd day of March, 2020.

CITY OF CRYSTAL LAKE, an
Illinois municipal corporation,

By: _____
MAYOR

SEAL

ATTEST

CITY CLERK

PASSED: _____
APPROVED: _____



DRAFT

Res. _____

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 and directed to execute a two-year agreement based on the submitted proposal with American Fireworks for the Independence Day Fireworks Display in the amount of \$55,000 for the July 5, 2020 show date and \$30,000 for the July 4, 2021 show date, based on availability of budgeted funds. The City Manager is additionally authorized to approve up to 10 percent in justifiable contract amendments from a contingency allowance.

DATED this 3rd day of March, 2020.

CITY OF CRYSTAL LAKE, an
Illinois municipal corporation,

By: _____
MAYOR

SEAL

ATTEST

CITY CLERK

PASSED: _____
APPROVED: _____



Agenda Item No: 16

**City Council
Agenda Supplement**

Meeting Date:

March 3, 2020

Item:

Professional Audit Services

Staff Recommendation:

Motion to award the proposal for Professional Auditing Service and adopting a resolution authorizing the City Manager to execute an agreement based on the submitted proposal from Sikich, LLC.

Staff Contact:

Jodie Hartman, Director of Finance

Background:

The City of Crystal Lake conducted an open solicitation Request for Proposal (RFP) for consulting services for Professional Auditing Services. The annual financial audit is required by statute. The auditing services cover the financial audit and resulting Comprehensive Annual Financial Report (CAFR), the Annual Financial Report for the State of Illinois Comptroller, the Tax Increment Financing (TIF) District annual reports and when necessary, any Single Audits as required. The RFP covers a five-year agreement for these services, with the option of a five-year renewal.

The contract with the incumbent auditing firm, Selden Fox LTD, had been in place for seven (7) years and expired fall 2019. Selden Fox held the auditing contract the previous seven years as well, going back to fiscal year 2006/07. According to best practice from the Government Finance Officers Association, auditor independence is enhanced by rotating the audit firm when possible. As Selden Fox has been the auditing firm of record for the past fourteen (14) years, staff felt it in the City's best interest to preclude them from eligibility for the upcoming term.

RFP Process

Staff issued the RFP document on January 8, 2020. The document was sent directly to seven (7) professional auditing firms with local government units. The document was also posted online to the Bidsync portal. Any interested parties were allowed a period of four weeks to review the proposal, submit any questions and submit their final proposal.

On Friday, February 7, 2020, the City received proposals from two (2) qualified vendors, Sikich LLP and Baker Tilly Virchow Krause, LLP (Baker Tilly). A third vendor, BKD CPA's and Advisors, chose not to submit a proposal. They indicated in an email that they felt they could not perform the required services for a fee close to the incumbent's pricing but would like to be considered for future opportunities.

Proposal Evaluation

Proposals were evaluated with three sets of criteria: mandatory elements, technical qualifications, and audit approach. Any proposing vendor meeting the mandatory elements was then reviewed for technical qualifications and approach. Mandatory elements included:

- Firm status as an independent firm, licensed to practice in Illinois
- Proposed fees for audit services
- Experience of the firm, partner and senior team members proposed with municipal audit services
- Commitment to audit team continuity
- Current peer/quality review status
- Documentation of quality audit work, with link to work samples
- Compliance with specifications
- No current agreements to perform accounting service for the City or either public safety pension fund.

Both Sikich and Bakery Tilly met all mandatory elements as well as technical qualifications and audit approach requirements. Both firms have excellent references in the field of local government audits. All other requirements satisfied, the determining factor for selection was price. Base fee covers the annual financial audit and reporting, TIF reporting and Comptroller reporting. The Single Audit fee will only be necessary if the City expends over \$750,000 in federal grant awards during a fiscal year; this is not anticipated for fiscal year 2019/20.

SIKICH

Fiscal Year End	4/30/2020	4/30/2021	4/30/2022	4/30/2023	4/30/2024
Base Fee	\$37,600	\$38,728	\$39,890	\$41,086	\$42,319
Single Audit Fee	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814

BAKER TILLY

Fiscal Year End	4/30/2020	4/30/2021	4/30/2022	4/30/2023	4/30/2024
Base Fee	\$47,800	\$49,300	\$50,800	\$52,400	\$54,000
Single Audit Fee	\$2,700	\$2,800	\$2,900	\$3,000	\$3,100

As can be seen above, the proposal from Sikich is significantly less than Baker Tilly. Fees from Selden Fox for FY 2018/19 were \$29,450. The services for auditing each fiscal year are performed during the subsequent fiscal year, so sufficient funds will be included in the proposed budget for fiscal year 2020/21 and future years.

Sikich is a professional service firm specializing in auditing and other financial fields. Founded in 1982, they serve over 7,900 clients, of which over 450 are local governments. They have extensive experience in the municipal industry, with a large presence in Illinois. The firm has demonstrated their expertise through client experience, professional speaking engagements, and training seminars. A top priority to their company is not only quality and professionalism, but encouraging their employees to volunteer their time, providing paid time off for volunteer work. Similar municipalities in the area who recommend Sikich include St. Charles, Palatine, Woodstock, and Algonquin.

Recommendation:

Based upon review of the RFP requirements and associated proposed pricing, staff's recommendation is to select Sikich LLP to perform financial auditing services for fiscal years 2019/20 through 2023/2024, with the option to extend for an additional five years if agreeable to both parties.

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 and directed to execute an agreement with Sikich LLP for professional auditing services for fiscal years ending April 30, 2020 through April 30, 2024.

DATED this 3rd day of March, 2020.

CITY OF CRYSTAL LAKE, an
Illinois municipal corporation,

By: _____
MAYOR

SEAL

ATTEST

CITY CLERK

PASSED:
APPROVED:



Agenda Item No: 17

City Council Agenda Supplement

Meeting Date:

March 3, 2020

Item:

Recreational Cannabis Quadrants Discussion and Text Amendment Referral to the Planning and Zoning Commission

City Council Discretion:

- 1) Motion to refer the proposed UDO Text Amendment to the Planning and Zoning Commission.
- 2) No further action.

Staff Contact:

Michelle Rentzsch, Director of Community Development

Background:

At the last City Council meeting, there was a discussion about limiting the number of cannabis dispensaries and staff was asked to research the matter to bring back to the City Council. If the Crystal Lake community is to feel the effects of the State's legalization of recreational marijuana, it would be advantageous to benefit from the share of the sales tax revenue to offset these services by optimizing our position for a cannabis dispensary to locate here.

Research of other communities and discussions with cannabis companies provides a range of viewpoints. Illinois communities have either opted out, approved a limited number of dispensaries, or approved an unlimited number similar to Crystal Lake (see attached community summary). In discussions with cannabis companies and their consultants, it is clear that it is very challenging to qualify for a dispensary license in Illinois to meet the social equity requirements. The dispensaries that have been established are generating revenues far exceeding original estimates due to the demand and the scarcity of dispensary locations. Currently, the cannabis companies are looking for heavily traveled interstate crossroads and other such high-volume roadways. For the foreseeable future, the likelihood of Crystal Lake considering more than one Special Use Permit petition for a dispensary is small.

Options:

- 1) Limiting dispensaries; therefore, limiting competition and limiting the possible proliferation of cannabis dispensaries. As a means to better control the location of future recreational cannabis dispensaries, the City can be divided up into quadrants, with the City limiting the number of dispensaries in each quadrant. For example, the City could be divided into four quadrants, or into

two quadrants, or even to the extent of limiting the allowable Special Use Permits to a single dispensary. In the future, the number or location of the quadrants or allowable Special Use Permits could be further amended by the City Council to meet the community's needs.

The Cannabis Regulation and Tax Act grants municipalities certain zoning authority [410 ILCS 705/55-25(a)], as well as express authority to "enact ordinances ... governing the ... number of cannabis business establishment operations." [*Id.* at 705/55-25(b).] Because the authority to limit the number of dispensaries is granted under a separate subsection from the grant of zoning authority, the City would be able to impose both general zoning regulations, as well as separate limitations on the number of authorized businesses.

In reviewing what other Illinois communities have approved, for those communities that have allowed dispensaries, many communities have limited the number to two dispensaries. Others have gone higher or lower, but in the interest of maintaining the spirit of competitive interest, a maximum of two dispensaries is suggested

Were the City Council interested in establishing a numeric limit on the number of dispensaries in Crystal Lake, a Text Amendment to the UDO can be referred to the PZC for a recommendation.

2) Keep our current regulations as they are, which requires a Special Use Permit to be reviewed and approved for a site within the B-2 Commercial District, outside of the buffer areas. In looking at the attached map, which shows the properties that are eligible for a dispensary, there are a handful of sites that would actually be desirable for a dispensary location. Owners of dispensaries typically look for properties highly visible with plentiful parking located on heavily traveled interstate roadways.

City Council Decision Points:

- Option A Do nothing; keep the current regulations that would allow any number of dispensaries that meet the Special Use Permit criteria.
- Option B Limit the number of dispensaries to 2 within City limits.
- Option C Limit the number of dispensaries to 1 within City limits.

Votes Required to Pass:

Simple majority vote.