



**CITY OF CRYSTAL LAKE**  
**AGENDA**

**CITY COUNCIL**  
**REGULAR MEETING**

City of Crystal Lake  
100 West Woodstock Street, Crystal Lake, IL  
City Council Chambers  
September 18, 2012  
7:30 p.m.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Proclamation – “No Text on Board - Pledge Day”**
5. **Approval of Minutes – September 4, 2012 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. **Council Reports**
10. **Consent Agenda**
  - a. 4812, 4816, 4818, 4904, 4906, 4912 and 4914 State Street Annexation Agreement Public Hearings continuation.
  - b. McHenry County Council of Governments Class 19 Temporary Liquor License Request.
11. **New Retailer Job Creation and Investment Matching Grant application request – Harbor Freight Tools, 6324 Northwest Highway.**
12. **Existing Retailer Job Creation and Investment Matching Grant and Targeted Development Zone application requests – Sea Level Diving, 269 Liberty Road.**
13. **274 Midlane Drive – Variation to allow a brick paver patio to encroach 1.4 feet into the required 5-foot accessory structure setback.**
14. **Trampoline Amusement Park, 5593 Northwest Highway – Special Use Permit to allow a trampoline amusement park as a special use in the “B-2 PUD” district.**
15. **Shell Gas Station/Circle K Convenience, 220 W. Virginia Street – Special Use Permit Amendment to allow an electronic pricing sign.**
16. **73 Lincoln Parkway – Special Use Permit to allow an accessory structure over 600 square feet.**
17. **Bid award and resolution authorizing execution of an agreement for tree removal services.**
18. **Proposal award and resolution authorizing execution of an agreement for various physical examinations, immunizations, substance screening, annual on-site wellness and flu shots, and CDL drug/alcohol testing.**

19. **Ordinance amending Section 150-1 of the City Code to set forth a process for the approval of helicopter landings in the City for construction related purposes.**
20. **Bond Ordinance for issuance of General Obligation Bonds Series 2012, for Wastewater Treatment Plant improvements, Water Plant upgrades, water main replacements and sewer replacements, and refinancing of Series 2004 General Obligation Bonds.**
21. **Council Inquiries and Requests**
22. **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.**
23. **Reconvene to Regular Session.**
24. **Adjourn**

*If special assistance is needed in order to participate in a City of Crystal Lake public meeting, please contact Brad Mitchell, Assistant to the City Manager, 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**

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**Meeting Date:**

September 18, 2012

**Item:**

Proclamation – “No Text On Board – Pledge Day”

**Staff Contact:**

Anne O’Kelley, Executive Assistant

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**Background:**

Mayor Shepley has received a request to issue a Proclamation designating September 19, 2012 as “No Text On Board – Pledge Day”.



**Agenda Item No: 10a**

**City Council  
Agenda Supplement**

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**Meeting Date:** September 18, 2012

**Item:** State Street lots (various) Annexation Agreement Public Hearing Continuation

4812, 4816, 4818, 4904, 4906, 4912 & 4914 State Street

**Recommendation:** Motion to continue public hearings on the annexation agreements to the October 16, 2012, City Council meeting for various Annexation Petitions.

**Staff Contact:** Michelle Rentzsch, Director of Planning & Economic Development

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**Background:** The annexation of these lots needs additional time to obtain all the required forms and paperwork for annexation. The staff continues to meet with and discuss annexation with these property owners. The continuation would be beneficial to allow additional time to answer questions and obtain the outstanding paperwork.

It is requested that this matter be continued to the October 16, 2012, City Council meeting for the respective Annexation Agreement Public Hearings.

**Votes Required to Pass:** A simple majority vote.



**Agenda Item No: 10b**

**City Council  
Agenda Supplement**

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**Meeting Date:**

September 18, 2012

**Item:**

Temporary Liquor License – McHenry County Council of Governments

**Staff Recommendation:**

Motion to approve issuance of a Class “19” Temporary Liquor License to McHenry County Council of Governments

**Staff Contact:**

George Koczwara, Deputy City Manager

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**Background:**

The City has received a request from McHenry County Council of Governments for the issuance of a Class “19” Temporary Liquor License in order to sell alcoholic drinks at their October 17, 2012 monthly meeting being held at Old Towne Hall, located at 54 Brink Street.

Section 329-5-S of the City Code permits the issuance of a Class “19” Temporary Liquor License for the retail sale of beer, wine and alcoholic liquor drinks 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.

**Votes Required to Pass:**

Simple majority



**Agenda Item No: 11**

**City Council  
Agenda Supplement**

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**Meeting Date:** September 18, 2012

**Item:** New Retailer Job Creation and Investment Matching Grant application request #2012-44-04 for Harbor Freight Tools, at 6324 Northwest Highway, to request \$10,000 in matching grant funds.

Trey Feiler, Harbor Freight Tools

**Recommendations:** City Council's discretion:

1. Motion to approve the Grant Agreement with Trey Feiler, and to award \$10,000 in grant funding for furniture, fixtures and equipment at 6324 Northwest Highway, for Harbor Freight Tools;
2. Motion to deny the grant application request.

**Staff Contact:** Michelle Rentzsch, Director of Planning and Economic Development  
James Richter II, Assistant Director of Economic Development

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**Background:** On November 1, 2011, the City Council approved the Retailer and Manufacturer Job Creation and Investment Programs, which provides grant funding to new and existing retailers who occupy vacant space and hire new full-time employees and/or install eligible furniture, fixtures, and equipment.

**HARBOR FREIGHT TOOLS (6324 Northwest Highway)**  
Harbor Freight Tools offers one of the largest selections of brand-name tools, including hand tools and power tools made by Chicago Electric, Pittsburgh, Central Machinery, Central Hydraulic, and Central Forge. **As a new business to Crystal Lake, Harbor Freight Tools is eligible for up to a \$10,000 matching grant.** Harbor Freight Tools will take 20,314 square feet in the Commons west building, in spaces formerly occupied by ULTA Cosmetics and Old Country Buffet. They will be hiring 10 full-time and 40 part-time employees for their new store. Harbor Freight Tools will spend approximately \$180,000 on eligible furniture, fixtures, and equipment, including office equipment, product display racks, and point of sale systems.

In order to objectively analyze the applications for funding, review criteria have been established in

the Ordinance approving this program. The chart below outlines the evaluation of the applicant's request in relation to our review criteria:

REVIEW CRITERIA	APPLICANT'S ABILITY TO MEET THE REVIEW CRITERIA
Improvement to overall appearance	Minor improvements to the appearance of the subject property would be provided*
Aesthetic impact to surrounding areas	Improvements would provide a minor aesthetic impact to the area
Number of employees and wages	50 new employees will be added by Harbor Freight Tools*
Value of new FFE	Furniture, fixtures, and equipment in excess of \$180,000*
Use of the property as a result of a new business	Promotes the intended use of the building for retail sales*
Contribution to economic vitality	Promotes occupancy of vacant retail space with a viable sales tax generating retailer*
Compatibility with nearby uses	Compatible with adjacent uses*

The applicant's request has been evaluated for the value of the improvement, the extent of proposed work, and its potential impact. The current application would fulfill 6 of the 7 review criteria (marked with an asterisk\*).

#### SUMMARY OF CURRENT REQUESTS

The chart below provides a complete summary of the pending grant funding requests. The City has budgeted \$80,000 for reimbursements to awarded recipients. The job creation and investment programs will share the same funding source (\$80,000).

File #	Applicant Name / Business name	Address	New Retailer Programs	Existing Retailer Programs	Manufacturer Programs	Total Requested	Amount Approved
2012-44-01	Potbelly Sandwich Works	6000 Nw Hwy	\$10,000.00			\$10,000.00	\$10,000.00
2012-44-02	CalCo Controls Inc	439 S. Dartmoor			\$10,000.00	\$10,000.00	\$10,000.00
2012-44-03	Kumi Sushi	1145 S Rt 31	\$10,000.00			\$10,000.00	\$10,000.00
2012-44-04	Harbor Freight Tools	6324 Nw Hwy	\$10,000.00			\$10,000.00	
2012-44-05	Sea Level Diving	269 Liberty		\$5,000.00		\$5,000.00	
			\$30,000.00	\$5,000.00	\$10,000.00	\$45,000.00	\$30,000.00

**Votes Required to Pass:** A simple majority vote.

**DRAFT**



**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 Trey Feiler, of Harbor Freight Tools, for a Retailer Job Creation & Investment Matching Grant in an amount not to exceed \$10,000.

DATED this 19<sup>th</sup> day of September, 2012.

CITY OF CRYSTAL LAKE, an  
Illinois municipal corporation,

By: \_\_\_\_\_  
MAYOR

SEAL  
ATTEST

\_\_\_\_\_  
CITY CLERK

PASSED: September 19, 2012  
APPROVED: September 19, 2012





**Agenda Item No: 12**

**City Council  
Agenda Supplement**

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**Meeting Date:** September 18, 2012

**Item:** Existing Retailer Job Creation and Investment Matching Grant and Targeted Development Zone fee reduction requests #2012-44-05 for Sea Level Diving, at 269 Liberty Road, to request \$5,000 in matching grant funds; and a Targeted Development Zone 50% fee reduction for the construction of a new building on the periphery of Route 14.

Art Koch, Sea Level Diving

**Recommendations:** City Council's discretion:

1. Motion to approve the Grant Agreement with Art Koch, and to award \$5,000 in grant funding for furniture, fixtures, and equipment at 369 Liberty Road, for Sea Level Diving; and
2. Motion to approve the Targeted Development Zone 50% fee reduction for a business located on the periphery of Route 14 for Sea Level Diving.
3. Motion to deny the grant application and fee reduction request.

**Staff Contact:** Michelle Rentzsch, Director of Planning and Economic Development  
James Richter II, Assistant Director of Economic Development

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**Background:** On November 1, 2011, the City Council approved the Retailer and Manufacturer Job Creation and Investment Programs, which provides grant funding to new and existing retailers who occupy vacant space and hire new full-time employees and/or install eligible furniture, fixtures, and equipment.

**SEA LEVEL DIVING (269 Liberty Road)**

Sea Level Diving is a PADI 5 Star scuba facility that has been serving the area for more than 24 years. Sea Level Diving is currently leasing space at 93 Berkshire and plans to construct a new building for their business at 269 Liberty Road, adjacent to Mike's Service. **As an existing business, Sea Level Diving is eligible for up to \$5,000 in grant funding.** Sea Level Diving offers scuba and snorkeling lessons, scuba and snorkeling equipment sales, diving trips, equipment service & repairs, air fills, and rental equipment. Owner Art Koch has recently purchased the property and is planning to build a 5,000 square-foot building that will hold an indoor pool, training areas,

classrooms and office space. Mr. Koch will spend approximately \$10,000 on eligible furniture, fixtures, and equipment within their new building, including office equipment, TV's, classroom equipment, product display racks, and a point of sale system.

The chart below outlines the evaluation of the applicant's request in relation to our review criteria:

REVIEW CRITERIA	APPLICANT'S ABILITY TO MEET THE REVIEW CRITERIA
Improvement to overall appearance	A significant improvement to the appearance of the subject property would be provided*
Aesthetic impact to surrounding areas	Improvements will provide an aesthetic improvement to the area*
Number of employees and wages	Sea Level Diving will maintain existing employment levels initially
Value of new FFE	Furniture, fixtures, and equipment in excess of \$10,000
Use of the property as a result of a new business	Takes vacant property and converts it to a new space for an existing retail sales tax generating business who will expand their presence here in town*
Contribution to economic vitality	Promotes occupancy of vacant retail space with a viable sales tax generating retailer*
Compatibility with nearby uses	Compatible with adjacent uses*

The applicant's request has been evaluated for the value of the improvement, the extent of proposed work, and its potential impact. The current application would fulfill 5 of the 7 review criteria (marked with an asterisk\*).

#### Targeted Development Zone 50% Fee Reduction Incentive

In order to stimulate the development and redevelopment of these highly visible corridors, Route 14, Route 31 and Route 176 in Crystal Lake have been designated as Targeted Development Zones. Properties within the Route 14, Route 31 and Route 176 corridors are entitled to a waiver of 50% of all associated City review, permit and inspection fees for any commercial improvement valued at \$250,000 or greater. Properties on the periphery of these corridors may qualify for the fee waiver by consent of the City Council.

In addition to the purchase price of the subject property, Sea Level Diving will exceed the \$250,000 minimum threshold with their investment (approximately \$500,000). Their new building at 269 Liberty Road is not located on Route 14, but it backs up to Three Oaks Recreation Area and it is adjacent to the Crystal Court Shopping Center, which has a Route 14 address.

#### SUMMARY OF CURRENT REQUESTS

The chart below provides a complete summary of the pending grant funding requests. The City has budgeted \$80,000 for reimbursements to awarded recipients. The job creation and investment programs will share the same funding source (\$80,000).

File #	Applicant Name / Business name	Address	New Retailer Programs	Existing Retailer Programs	Manufacturer Programs	Total Requested	Amount Approved
2012-44-01	Potbelly Sandwich Works	6000 Nw Hwy	\$10,000.00			\$10,000.00	\$10,000.00
2012-44-02	CalCo Controls Inc	439 S. Dartmoor			\$10,000.00	\$10,000.00	\$10,000.00
2012-44-03	Kumi Sushi	1145 S Rt 31	\$10,000.00			\$10,000.00	\$10,000.00
2012-44-04	Harbor Freight Tools	6324 Nw Hwy	\$10,000.00			\$10,000.00	
2012-44-05	Sea Level Diving	269 Liberty		\$5,000.00		\$5,000.00	
	<b>TOTALS</b>		<b>\$30,000.00</b>	<b>\$5,000.00</b>	<b>\$10,000.00</b>	<b>\$45,000.00</b>	<b>\$30,000.00</b>

**Votes Required to Pass:** A simple majority vote.



**DRAFT**

**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 Artur Koch, of Sea Level Diving, for a Retailer Job Creation & Investment Matching Grant in an amount not to exceed \$5,000.

DATED this 19th day of September, 2012.

CITY OF CRYSTAL LAKE, an  
Illinois municipal corporation,

By: \_\_\_\_\_  
MAYOR

SEAL  
ATTEST

\_\_\_\_\_  
CITY CLERK

PASSED: September 19, 2012  
APPROVED: September 19, 2012



**Agenda Item No: 13**

**City Council  
Agenda Supplement**

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- Meeting Date:** September 18, 2012
- Item:** REPORT OF THE PLANNING & ZONING COMMISSION  
#2012-48 Foley Simplified Residential Variation
- Request:** Variation to allow a brick paver patio to encroach 1.4 feet into the required 5-foot accessory structure setback.  
  
Gladys Foley, Petitioner  
274 Midlane Drive
- PZC Recommendation:** Motion to approve the petitioner's request and adopt an ordinance allowing the patio to encroach 1.4 feet into the required 5-foot setback at 274 Midlane Drive.
- Staff Contact:** Michelle Rentzsch, Director of Planning and Economic Development
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**Background:**

- The house is on a corner lot with the front facing Midlane Drive. The front of the lot is actually considered Ryan Way. The patio is constructed in a side yard setback.
- A 14 x 20 brick paver patio was constructed.
- The patio is considered an accessory structure and required to meet a minimum 5-foot setback from any property line.
- A 1.4-foot encroachment is requested to keep the patio where it is.

**PZC Highlights:**

The Planning and Zoning Commission could support this request, stating that it looked nice. They noted the hardship of having a corner lot and where the house was positioned.

The Planning and Zoning Commission recommended **approval (9-0)** of the petitioner's request with the following conditions:

1. Approved plan, to reflect staff and advisory board comments, as approved by the City Council:
  - A. Application (Foley, received 07/06/12)
  - B. Plat of Survey/Site Plan (Brauer Land Surveying, dated 12/13/1991, received 06/08/12)

2. A variation to allow the encroachment into the required 5-foot accessory structure side yard setback by 1.4 feet for a brick paver patio is granted.
3. No structure shall be constructed on the patio surface.
4. The petitioner shall comply with all of the requirements of the Engineering and Building, and Planning and Economic Development Departments.

**Votes Required to Pass:**      A simple majority vote.

DRAFT

ORDINANCE NO. \_\_\_\_\_  
FILE NO. \_\_\_\_\_

AN ORDINANCE GRANTING A VARIATION  
AT 274 MIDLANE DRIVE

WHEREAS, pursuant to the terms of the Application (File #2012-48) before the Crystal Lake Planning and Zoning Commission, the Applicant has requested the granting of a Simplified Residential Variation from Article 3-200 of the UDO to allow a brick paver patio to encroach 1.4 feet into the required 5-foot accessory structure setback from the side yard setback and be as close as 3.6 feet from the side property line; and

WHEREAS, it is in the best interests of the City of Crystal Lake that the Variation be granted as requested in said Application.

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

SECTION I: That a Variation be granted from the Crystal Lake Unified Development Ordinance from Article 3-200 to allow a brick paver patio to encroach 1.4 feet into the required 5-foot accessory structure setback from the side yard setback and be as close as 3.6 feet from the side property line

at the property at 274 Midlane Drive, Crystal Lake, Illinois.

SECTION II: That the Variation be granted with the following conditions:

1. Approved plan, to reflect staff and advisory board comments, as approved by the City Council:
  - A. Application (Foley, received 07/06/12)
  - B. Plat of Survey/Site Plan (Brauer Land Surveying, dated 12/13/1991, received 06/08/12)
2. A variation to allow the encroachment into the required 5-foot accessory structure side yard setback by 1.4 feet for a brick paver patio is granted.
3. No structure shall be constructed on the patio surface.
4. The petitioner shall comply with all of the requirements of the Engineering and Building, and Planning and Economic Development Departments.

SECTION III: That the City Clerk be and is hereby directed to amend the official zoning map of the City of Crystal Lake and all pertinent records of the City of Crystal Lake to show the granting of a Simplified Residential Variation in accordance with the provisions of this Ordinance, as provided by law.

**DRAFT**

SECTION IV: 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 \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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**Agenda Item No: 14**

**City Council  
Agenda Supplement**

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**Meeting Date:** September 18, 2012

**Item:** REPORT OF THE PLANNING & ZONING COMMISSION

#2012-93 Trampoline Amusement Park, Knightsbridge Commercial Development LLC.

Special Use Permit pursuant to Article 2, Land Use of the Unified Development Ordinance to allow a trampoline amusement park as a special use in the "B-2 PUD" district

Knightsbridge Commercial Development LLC., 5593 Northwest Highway

**PZC Recommendation:** Motion to approve the Planning and Zoning Commission recommendation and adopt an ordinance granting a special use permit to allow a trampoline amusement park in the "B-2" district at 5593 Northwest Highway.

**Staff Contact:** Michelle Rentzsch, Director of Planning and Economic Development

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**Background:**

- Location: 5593 Northwest Highway
- Zoning: "B-2 PUD" General Commercial PUD
- Co-Tenants: Party City, Game Stop, GNC, King Buffet, Maurice's, Colonial Café, BMO Harris Bank
- Request: Special Use Permit to allow an indoor trampoline amusement park as a special use in the "B-2" General Commercial District.

**Key Factors**

- History: The property is part of the Crystal Court Shopping Center, a 33-acre retail shopping area that was formerly anchored by WalMart. The property was annexed in December of 1988 and developed and constructed during the early 1990's.
- Permitted Uses: The proposed use is considered as an 'All other amusement and recreation facility' per Article 2, Land Use of the UDO and is permitted as a special use in the "B-2" district.

- Details: The proposed facility will occupy an approximately 25,000-square-foot tenant suite in the multi-tenant building at this location. The facility will feature custom-made trampolines that include side walls and safety nets. It will host a variety of trampoline activities including freestyle open jump, dodge ball, basketball, sports training and fitness training classes. Patrons will also be able to host birthday parties, corporate or family events, church events and fundraisers. The facility is proposed to be open 7 days a week, opening in the afternoons from Monday to Thursday and earlier in the day on Friday, Saturday and Sunday. A limited amount of food will be served at the facility. The petitioner anticipates that there will be 12 to 14 employees and a maximum of 100 people in the facility at any time.
- Parking: There are no specific standards in the UDO for the proposed use. Per the Parking Standards (PAS Report 510/511) published by the American Planning Association, indoor amusement facilities are recommended to provide 3 parking spaces per 1,000 square feet of gross floor area. Therefore, 77 parking spaces are required for this use. There is adequate parking available at this location and there are no parking concerns.

### ***PZC Highlights***

- The Planning and Zoning Commission discussed the details of the proposed use, including hours of operation, details of the facility, etc. The Commission felt that the location, close to the Three Oaks Recreation Area, was appropriate for the proposed use.
- Some of the Commissioners felt that even though it was not within the purview of this petition, it needed to be stated that the parking lot for the Crystal Court center needs to be looked at. The Commissioners felt that redesigning the parking lot would be beneficial to the center.
- The PZC discussed the Findings of Fact for a Special Use Permit and felt that the petition met the findings.
- The PZC recommended **approval (9-0)** of the request.

The following conditions are recommended:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
  - A. Application, Project Description, Photos, received 8-16-12
  - B. Suite Layout, received 8-16-12
2. A special use for the proposed use classified as ‘all other amusement & recreation facilities’ at this location is granted.
3. If the facility is expanded in area or intensity, the petitioner shall be required to seek a SUP amendment.
4. The petitioner will contact the McHenry County Health Department to obtain any necessary permits for food being served at this location.
5. All proposed signage must meet the provisions of Article 4-1000 Signs of the UDO or the PUD approval, as applicable. Permits through the Building Division must be obtained for all signs.

6. The petitioner shall replace any dead and dying landscaping in the immediate vicinity of their tenant space, including the areas of the parking lot closest to the tenant space.
7. The petitioner is responsible for meeting all building, plumbing, electrical, and sprinkler requirements as identified by the Engineering and Building and Fire Rescue Departments.
8. The petitioner shall address all of the review comments and requirements of the Engineering and Building, Fire Rescue, Police, Public Works, and Planning and Economic Development Departments.

**Votes Required to Pass:** A simple majority vote.

# DRAFT

ORDINANCE NO. \_\_\_\_\_  
FILE NO. \_\_\_\_\_

## AN ORDINANCE GRANTING A SPECIAL USE PERMIT AT 5593 NORTHWEST HIGHWAY CRYSTAL COURT SHOPPING CENTER

WHEREAS, pursuant to the terms of a Petition (File #2012-93) before the Crystal Lake Planning and Zoning Commission, the Petitioner has requested the granting of a Special Use Permit pursuant to Article 2, Land Use of the Unified Development Ordinance to allow a trampoline amusement park as a special use in the "B-2 PUD" district for Trampoline Park at 5593 Northwest Highway; and

WHEREAS, it is in the best interests of the CITY OF CRYSTAL LAKE that the Special Use Permit be granted as requested in said Petition.

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

Section I: That a Special Use Permit be granted to allow a trampoline amusement park as a special use in the "B-2 PUD" district for Trampoline Park

at the property commonly known as 5593 Northwest Highway, Crystal Court Shopping Center, City of Crystal Lake.

Section II: That the Special Use Permit be granted with the following conditions:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
  - A. Application, Project Description, Photos, received 8-16-12
  - B. Suite Layout, received 8-16-12
2. A special use for the proposed use classified as 'all other amusement & recreation facilities' at this location is granted.
3. If the facility is expanded in area or intensity, the petitioner shall be required to seek a SUP amendment.
4. The petitioner will contact the McHenry County Health Department to obtain any necessary permits for food being served at this location.
5. All proposed signage must meet the provisions of Article 4-1000 Signs of the UDO or the PUD approval, as applicable. Permits through the Building Division must be obtained for all signs.

# DRAFT

6. The petitioner shall replace any dead and dying landscaping in the immediate vicinity of their tenant space, including the areas of the parking lot closest to the tenant space.

7. The petitioner is responsible for meeting all building, plumbing, electrical, and sprinkler requirements as identified by the Building and Fire Rescue Departments.

8. The petitioner shall address all of the review comments and requirements of the Engineering and Building, Fire Rescue, Police, Public Works, and Planning and Economic Development Departments.

Section III: That the City Clerk be and is hereby directed to amend the official zoning map of the City of Crystal Lake and all pertinent records of the City of Crystal Lake to show the granting of a Land Use Variation and Special Use Permit in accordance with the provisions of this Ordinance, as provided by law.

Section IV: 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 \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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**Agenda Item No: 15**

**City Council  
Agenda Supplement**

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**Meeting Date:**

September 18, 2012

**Item:**

REPORT OF THE PLANNING & ZONING COMMISSION

#2012-63 Shell Gas Station/Circle K Convenience, 220 W. Virginia Street

Special Use Permit Amendment to allow an electronic pricing sign.

Auna Foote, Corporate ID Solutions, petitioner  
5563 N. Elston, Chicago

**PZC Recommendation:**

Motion to approve the recommendation of the Planning and Zoning Commission and to adopt an ordinance granting Special Use Permit Amendments allowing the electronic pricing sign for Shell Gas Station/Circle K Convenience at 220 W. Virginia Street.

**Staff Contact:**

Michelle Rentzsch, Director of Planning and Economic Development

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**Background:**

- A free-standing, illuminated, pole sign currently exists on the property to identify Shell Gas and the gas price.
- The request is to install a new sign panel showing the joint branding of Circle K and Shell as well as allow for an electronic price sign portion of the sign.
- The size of the new canopy will be slightly smaller than the existing sign.

**Planning and Zoning Highlights:**

The Planning and Zoning Commission had several concerns with the sign; they are as follows:

- There are several signs that are either taller than the ordinance allows or have a different color illumination than the ordinance allows. The City should stick to a standard.
- The existing sign does not meet the current ordinance requirements. The question asked was if this sign should be made to comply with the current ordinance requirements.
- The Commission asked staff to review whether there would be any sight visibility issues if the sign was lowered to a monument sign. That analysis is attached as Exhibit A.

The PZC recommended **approval (6-1)** with the following conditions:

1. Approved plan, to reflect staff and advisory board comments, as approved by the City Council:
  - A. Application (Corporate ID Solutions, received 08/02/12).
  - B. Signage Exhibit (Corporate ID Solutions, dated 07/13/12, received 08/02/12).
  - C. Alta Survey (William & Works, dated 11/03/09, received 08/02/12).
2. A Special Use Permit Amendment is hereby granted to allow the EMC sign.
3. Future changes to the signage, which meet all requirements of the Unified Development Ordinance, shall not be required to amend the Special Use Permit.
4. To meet the ordinance requirement, the EMC lighting shall be amber or white in color and only be used for gas pricing.
5. The petitioner shall comply with all of the requirements of the Planning and Economic Development and Engineering and Building Departments.

**Votes Required to Pass:** A simple majority vote.

DRAFT

ORDINANCE NO. \_\_\_\_\_  
FILE NO. \_\_\_\_\_

AN ORDINANCE GRANTING AN AMENDMENT TO A SPECIAL USE PERMIT  
AT 220 VIRGINIA STREET

WHEREAS, pursuant to the terms of a Petition (File #2012-63) before the Crystal Lake Planning and Zoning Commission, the Petitioner has requested the issuance of an Amendment to a Special Use Permit to allow an electronic message center sign for the property located at 220 Virginia Street, Crystal Lake, Illinois; and

WHEREAS, it is in the best interests of the CITY OF CRYSTAL LAKE that the Special Use Permit Amendment be issued as requested in said Petition.

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

Section I: That an Amendment to the Special Use Permit be issued to allow an electronic message center sign for the property commonly known as 220 Virginia Street, Crystal Lake, Illinois.

Section II: Said Amendment to the Special Use is issued with the following conditions:

1. Approved plan, to reflect staff and advisory board comments, as approved by the City Council:
  - A. Application (Corporate ID Solutions, received 08/02/12).
  - B. Signage Exhibit (Corporate ID Solutions, dated 07/13/12, received 08/02/12).
  - C. Alta Survey (William & Works, dated 11/03/09, received 08/02/12).
2. A Special Use Permit Amendment is hereby granted to allow the EMC sign.
3. Future changes to the signage, which meet all requirements of the Unified Development Ordinance, shall not be required to amend the Special Use Permit.
4. To meet the ordinance requirement, the EMC lighting shall be amber or white in color and only used for gas pricing.
5. The petitioner shall comply with all of the requirements of the Planning and Economic Development and Engineering and Building Departments.

Section III: That the City Clerk be and is hereby directed to amend the official zoning map of the City of Crystal Lake and all pertinent records of the City of Crystal Lake to show the issuance of a Special Use Permit in accordance with the provisions of this Ordinance, as provided by law.



**DRAFT**

Section IV: 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 \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

MAYOR

ATTEST:

\_\_\_\_\_

CITY CLERK

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



**Agenda Item No: 16**

**City Council  
Agenda Supplement**

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- Meeting Date:** September 18, 2012
- Item:** REPORT OF THE PLANNING & ZONING COMMISSION  
#2012-91 Harkins Special Use Permit
- Request:** Special Use Permit to allow an accessory structure over 600 square feet.  
Redmond Harkins  
73 Lincoln Parkway
- PZC Recommendation:** Deny the petitioner's request
- Staff Contact:** Michelle Rentzsch, Director of Planning and Economic Development
- 

**Background:**

- The request is to remove an existing 24 x 30 (720 SF) garage and construct a new garage. The footprint of the new garage would be 24 x 40 (960 SF).
- The garage is constructed with a full basement and second floor attic space. Since the garage has usable space on all three floors, the square footage of all three floors is calculated. The accessory structure size is 2,880 square feet. Accessory structures over 600 square feet require a Special Use Permit.
- The new garage would have a double bay overhead garage door in the front facing Lincoln Parkway and a single bay overhead door in the rear.
- The petitioner agreed to the condition to split the two dormers, eliminating this variation request.
- Since the PZC meeting, the petitioner has agreed to eliminate the variation request, thereby meeting the minimum 5-foot setback requirement.

**PZC Highlights:**

The Planning and Zoning Commission had several items they discussed:

- Some of the commission members felt that the garage was too large and that it was out of character for the neighborhood. A comment was made that accessory structures should not have basements or plumbing.

- There was also concern over the request for the side yard variation. Since this was a completely new structure, the garage should be able to meet the required setbacks. Since the PZC meeting, the petitioner has decided to drop the side yard variation request.

The Planning and Zoning Commission recommended **denial (7-2)** of the petitioner's request.

If the City Council chooses to approve the request, the following conditions are recommended:

1. Approved plan, to reflect staff and advisory board comments, as approved by the City Council:
  - A. Application (Harkins, received 08/13/12)
  - B. Architectural Plan Set (Unnamed, dated 08/09/12, received 08/13/12)
2. The garage shall not be utilized for living quarters.
3. Expansion of the garage in size and or volume shall require an amendment to the Special Use Permit.
4. The dormer should be split into two dormers, not exceeding 8 feet each in length, for a total of 16 feet of dormer area.
5. The garage shall not be located within any Public Utility Easement, Municipal Utility Easement or Public or Private Drainage Easement.
6. The north wall of the garage shall be 1-hour fire rated. New ventilation for the second floor is required as eave vents are not permitted. *(If the petitioner meets the minimum 5-foot setback, the wall does not need to be fire rated.)*
7. The petitioner shall comply with all of the requirements of the Engineering and Building, Fire Rescue, Public Works and Planning and Economic Development Departments.

**Votes Required to Pass:** A super majority vote (5 votes) to overturn the PZC's negative recommendation and approve the project.



**Agenda Item No: 17**

**City Council  
Agenda Supplement**

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**Meeting Date:**

September 18, 2012

**Item:**

Tree Removal Services Bid

**Staff Recommendation:**

Motion to award the bid for Tree Removal Services to the lowest responsive and responsible bidder, Central Forestry, LLC. and adopt a resolution authorizing the City Manager to execute a 15-month Tree Removal service agreement with Central Forestry, LLC. with an optional 12-month extension.

**Staff Contact:**

Victor Ramirez, P.E., Director of Public Works

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**Background:**

On September 5, 2012 the City of Crystal Lake publicly opened and read aloud the bids received for the services relating to the removal and disposal of trees from public properties. Tree removal services are generally used on large trees that exceed the Public Works Department's tree removal capabilities or City trees that have suffered significant storm damage.

The base contract period is for a 15-month period ranging from October 2012 through December 2013. Prices were also requested for an additional one-year contract extension for the 2014 calendar year.

Prices were bid based on size of the tree diameter within seven categories for complete tree removal and for stump grinding only. The actual value of the contract will be determined by the number of trees removed or stumps ground by the contractor. The following table represents a breakdown of the total bids received based on one item from each category. A table of the complete bid prices can be found on the attached document.

	Complete Tree Removal	Stump Grinding Only	Total
√Central Forestreet Hoffman Estates, IL	\$6,608.25	\$1,660.00	<b>\$8,268.25</b>
John's Tree Service McHenry, IL	\$8,900.00	\$875.00	<b>\$9,775.00</b>
Clean Cut Tree Service Lake Villa, IL	\$7,625.00	\$2,355.00	<b>\$9,980.00</b>
Davey Tree Expert East Dundee, IL	\$16,590.00	\$2,720.00	<b>\$19,310.00</b>

√ Indicates recommended lowest responsible and responsive bidder

**Recommendation:**

The Public Works Department has reviewed all bids received for completeness and accuracy in accordance with the invitation to bid document, and verified all references. It is the recommendation of staff to award the 15-month Tree Removal Service agreement to the lowest responsive and responsible bidder, Central Forestreet, LLC with an optional one-year extension. Central Forestreet, LLC received admirable reviews from their references from similar jurisdictions.

**Votes Required to Pass:**

Simple Majority

RESOLUTION

DRAFT

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the City Manager is authorized to execute a 15-month Service Agreement between the CITY OF CRYSTAL LAKE and Central Forestree, LLC for tree removal services.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

CITY OF CRYSTAL LAKE, an  
Illinois municipal corporation,

By: \_\_\_\_\_  
MAYOR

SEAL

ATTEST

\_\_\_\_\_  
CITY CLERK

PASSED: \_\_\_\_\_

APPROVED: \_\_\_\_\_



**Agenda Item No: 18**

**City Council  
Agenda Supplement**

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**Meeting Date:**

September 18, 2012

**Item:**

Various Physical Examinations, Immunizations, Substance Screening, Annual On-site Wellness Screenings and Flu Shots, and CDL Drug/Alcohol Testing

**Staff Recommendation:**

Motion to award the proposal for Various Physical Examinations, Immunizations, Substance Screening, Annual On-site Wellness Screenings and Flu Shots, and CDL Drug/Alcohol Testing to the lowest responsive, responsible proposer, Centegra Occupational Health, and to adopt a resolution authorizing the City Manager to execute a two-year agreement (with an option for a third year) for Various Physical Examinations, Immunizations, Substance Screening, Annual On-site Wellness and Flu Shots, and CDL Drug/Alcohol Testing to Centegra Occupational Health

**Staff Contact:**

Ann Everhart, Director of Human Resources

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**Background:**

The City of Crystal Lake conducts Pre-Employment and annual Fire Rescue Department physical examinations on approximately 20 to 50 prospective full-time, part-time and seasonal employees and as many as 75 Fire Rescue Department personnel each year. Immunizations, Respirator Fit Testing, Audiograms and CDL Drug and Alcohol Testing for Safety Sensitive positions affect over 50 Public Works employees each year. Annual on-site Wellness screenings and flu shots (program based on voluntary participation) involves over 100 employees each year.

On August 13, 2012, Request for Proposals for Physical Examinations, Immunizations, Substance Screening, Annual On-site Wellness and Flu Shots, and CDL Drug and Alcohol Testing services were mailed to vendors, and placed on Demand Star, and a legal notice was published in the *Northwest Herald*. An addendum to the Request for Proposals was sent out with additional information on September 4, 2012. Bids were received and opened on the deadline of September 6, 2012. Two (2) proposals were received in total and a committee, consisting of members of the Human Resources office and the Fire Rescue Department, reviewed the two (2)

proposals for proposal completeness and accuracy in accordance with the request for proposal document, firm organizational capacity, references, firm experience and cost.

The RFP required that the providers bid on the following test components: annual fire exam for those over 40 (with Prostate Specific Antigen-PSA for males and mammogram for females), annual fire exam for those under 40 (please note, both the over 40 and under 40 annual exams are in response to the requirements of the NFPA 1582), fire hazardous materials exam, fire pre-employment exam, police pre-employment exam, general (non-sworn) pre-employment exam, Hepatitis series, audiograms, respirator tests and Commercial Drivers License random testing (as required by the Department of Transportation), Wellness Screenings including a Health Risk Assessment and flu shots, and substance screening tests. The specific tests for each of these exams are detailed on the attached sheets. The response totals are provided below:

**COST OF TESTS**

<u>TYPE OF EXAM</u>	<u>Advocate</u>	<u>Centegra✓</u>
Fire Exam 40 plus		
Males	\$1193.50	\$610.00
Females	\$1404.50	\$675.00
Fire Exam under 40	\$737.50	\$375.00
Fire Haz Mat	\$634.00	\$300.00
Fire Pre-employment	\$1293.50	\$695.87
Police Pre-employment	\$387.50	\$190.00
Non-sworn		
Pre-employment	\$234.50	\$115.00
Hepatitis Series	\$282.00	\$192.00
Audiograms	\$39.00	\$25.00
Respirator Test	\$40.00	\$35.00
CDL/Randoms	\$122.00	\$70.00
Testing Location	On site/LZ	On site/CL
Substance Screen (10 panel)	\$55.00	\$35.00
Wellness HRA	\$94.00	\$65.00
Flu Shots	\$28.00	\$25.00

**COST COMPARISON (based on 2011/2012 actual number of specific exams)**

<u>TYPE &amp; # OF EXAMS</u>	<u>Advocate</u>	<u>Centegra✓</u>
Fire Exam 40 plus (24)		
Males (23)	\$27,450.50	\$14,030.00
Females (1)	\$1,404.50	\$675.00
Fire Exam under 40 (36)	\$26,550.00	\$13,500.00
Fire Haz Mat (3)	\$1,902.00	\$900.00
Fire Pre-employment (1)	\$1,293.50	\$695.87
Police Pre-employment (0)	\$0.00	\$0.00
Non-sworn Pre-employ. (23)	\$5,393.50	\$4,370.00
Hepatitis Series (20)	\$5,640.00	\$3,840.00
Audiograms (39)	\$1,521.00	\$975.00
Respirator Test (5)	\$200.00	\$175.00



CDL/Randoms (42)	\$5,124.00	\$2,940.00
Substance Screen (80)	\$4,400.00	\$2,800.00
Wellness HRA (80)	\$7,520.00	\$5,200.00
Flu Shots (122)	\$3,416.00	\$3,050.00
<b>Total</b>	<b>\$91,815.00</b>	<b>\$53,150.87</b>

Of course, there is no guarantee from one year to the next that the same number of examinations will be completed. The realities of our current economic environment can negatively impact hiring and the regular scheduling of exams may be altered or the need for pre-employment type physicals may possibly decrease over the time period of the contract award. However, to determine a benchmark in which to compare costs and in using last year's examination numbers to do so, the responders' totals above provide a clear picture of the costs that might be expected in the coming year.

✓ Indicates lowest responsible and responsive proposer.

**Recommendation:**

The committee, made up of staff from the Human Resources Division and the Fire Rescue Department, has reviewed all proposals received for completeness and accuracy in accordance with the Request for Proposals document. Based on the submitted proposal information, the fees, organizational capacity and references, it is recommended that the City to award the two-year contract (with an option for a third year) to Centegra Health System who would be able to provide various examinations, annual physicals to the Fire Rescue Department staff, audiograms, wellness screenings and flu shots, and CDL/Random testing in a more cost-effective manner as shown by the table above. Centegra Health System has extensive experience in providing similar services for municipalities in Illinois and the City of Crystal Lake has previously utilized these services. Centegra Health System will be able to provide a team of occupational health professionals, who can meet the criteria necessary for our physical examination and testing needs, wellness screenings and CDL testing processes that are required by the City of Crystal Lake.

**Votes Required to Pass:** Simple Majority.



**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 is authorized to execute a contract with Centegra Health System for Physical Examinations, Immunizations, Substance Screening, Annual On-site Wellness Screenings and Flu Shots, and CDL Drug and Alcohol Testing services.

Dated this 18th day of September, 2012.

CITY OF CRYSTAL LAKE, an Illinois  
Municipal Corporation

BY: \_\_\_\_\_  
Aaron T. Shepley, Mayor

ATTEST:

\_\_\_\_\_  
Nick Kachiroubas, City Clerk

Passed:  
Approved:



**Agenda Item No: 19**

**City Council  
Agenda Supplement**

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**Meeting Date:** September 18, 2012

**Item:** Aircraft Landing Amendment

**Staff Recommendation:** Motion to adopt an Ordinance amending Section 150-1 of the City Code to set forth a process for the approval of helicopter landings in the City for construction related purposes.

**Staff Contact:** George J. Koczvara, Deputy City Manager

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**Background:**

Recently, the City received a request from Service Mechanical Industries to allow for helicopter landings in the City as part of the replacement of (10) rooftop units at the Covidien facility at 815 Tek Drive.

The City Code currently includes a restriction that prohibits the landing of aircraft in the City. The current City Code language is as follows:

§ 150-1. Landing restricted.

No person, firm, or corporation shall land any aircraft within the City limits of the City of Crystal Lake except at such places or sites approved by the corporate authorities of the City of Crystal Lake as landing sites or airports. For the purpose of this section, aircraft shall mean any contrivance now known, or hereafter invented, used or designed for navigation of or flight in the air, provided that this provision shall not apply to passenger-carrying balloons landing as a result of an emergency.

In an effort to efficiently respond to this, and other similar requests, attached is a draft Ordinance Amendment that would set forth a process for the approval of helicopter landings in the City for construction-related purposes. Under the proposed Ordinance, a process would be put into place that would authorize the City Manager to issue temporary helicopter-landing approvals for construction-related purposes.

**Recommendation:**

It is staff's recommendation to adopt the attached Ordinance setting forth a process for the approval of helicopter landings in the City for construction-related purposes. The City Attorney has reviewed the attached Ordinance.

**Votes Required to Pass:**

Simple majority



DRAFT

ORDINANCE

WHEREAS, Section 150-1 of the City of Crystal Lake Municipal Code provides that no aircraft may land within the corporate limits of the City except at such places or sites approved by the corporate authorities of the City of Crystal Lake; and

WHEREAS, the Mayor and City Council of the City of Crystal Lake have found that the use of helicopters may occasionally be necessary in connection with construction activities; and

WHEREAS, in order to accommodate such situations, the Mayor and City Council find that it would be appropriate to vest the City Manager with the authority to approve the landing of helicopters within areas designated by the City Manager on a short term basis;

WHEREAS, the Mayor and City Council have found and determined that it would be in the best interest of the City of Crystal Lake and its residents to amend Chapter 150 of the Crystal Lake Municipal Code to grant this authority to the City Manager.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, COUNTY OF MCHENRY, STATE OF ILLINOIS AS FOLLOWS:

Section One: Recitals. The foregoing recitals are hereby incorporated herein as if fully set forth.

Section Two: Amendment of Section 150-1 of the Crystal Lake Municipal Code; Section 150-1 of the City of Crystal Lake Municipal shall be deleted, in its entirety and replaced with the following:

§150-1 Except as otherwise provided herein, no person, firm, or corporation shall land any aircraft within the City limits of the City of Crystal Lake except at such places or sites approved by the corporate authorities of the City of Crystal Lake as landing sites or airports. For the purpose of this section, aircraft shall mean any contrivance now known or hereafter invented, used or designed for navigation of or flight in the air, provided that this provision shall not apply to passenger-carrying balloons landing as a result of an emergency.

Section Three: Amendment of Section 150 of the Crystal Lake Municipal Code; Section 150 of the City of Crystal Lake Municipal shall be amended by adding Section 150-2 which shall, hereinafter provide as follows:

§150-2 Upon application to the City Manager on such forms as the City Manager may require, the City Manager, or designee, may approve temporary landing sites within the corporate limits of the City, for use by helicopters engaged in construction activities. Such approval shall be limited to such date or dates as the City Manager, or designee, may approve and no such approval shall be given for more than two dates, unless expressly approved by the corporate authorities. Such approval shall limit the hours during which the landing may occur. In the event that the City Manager denies a request for a temporary landing site pursuant to this Section, no such landing shall be permitted except upon the express approval of the corporate authorities pursuant to §150-1 of this Code.

Section Four: Effective Date. This ordinance shall be in full force and effect from and after its passage as provided by law.

DATED this 18<sup>th</sup> day of September, 2012

CITY OF CRYSTAL LAKE, an  
Illinois Municipal Corporation,

By: \_\_\_\_\_  
MAYOR

SEAL

ATTEST

**DRAFT**

\_\_\_\_\_  
CITY CLERK

PASSED:  
APPROVED:



**Agenda Item No: 20**

**City Council  
Agenda Supplement**

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**Meeting Date:** September 18, 2012

**Item:** Bond Ordinance for issuance of General Obligation Bonds Series 2012, for Wastewater Treatment Plant improvements, Water Plant upgrades, water main replacements and sewer replacements, as well as refinancing of Series 2004 General Obligation Bonds, in the approximate amount of \$9,130,000.

**Staff Recommendation:** Motion to adopt an ordinance providing for the issuance of approximately \$9,130,000 General Obligation Bonds, Series 2012, of the City of Crystal Lake, McHenry County, Illinois, and the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

**Staff Contact:** Mark F. Nannini, Director of Finance

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**Background:**

A modern, efficient, reliable water and sewer system is an important foundation of Crystal Lake's quality of life. Residents count on the City to deliver safe drinking water to protect public health, fight fires, and supply the water needs of business and industry. Investments in the utility system ensure that residents of Crystal Lake have adequate supplies of high quality water 365 days a year. The City's water and sewer infrastructure is also an important asset that supports economic growth. Sustainable water and sewer utility services encourage the location of new companies and the development of business – growth that benefits both taxpayers and consumers.

As part of the most recent budget deliberations, a number of capital improvement projects were outlined for water and utility services. Since the Water and Sewer Fund is an enterprise fund, these projects will be funded through user charges. Under governmental Generally Accepted Accounting Principles (GAAP), there are three categories of fund types: governmental, proprietary (i.e. enterprise funds), and fiduciary. The City's Water and Sewer Fund operates as a proprietary or enterprise fund. GAAP requires state and local governments to use the enterprise fund type to account for "business-type activities" – activities similar to those found in the private sector. Business-type activities include services primarily funded through user charges.

Because of the needed scope of the capital projects, as discussed during budget deliberations, the City will issue bonds to pay for the projects to be repaid through annual user charges.

**Bond Issuance:**

On September 18, 2012, the City will take bids for its bond issue totaling approximately \$9.13 million. The bond issue is being sold for two purposes. The first purpose is to provide approximately \$4.93 million for capital projects which will be paid back over a 20-year period with an estimated average annual payment of \$335,000. Based on current market conditions, the estimated average borrowing rate is 2.87%. The second purpose is to refinance the City's callable 2004 Bonds. The callable 2004 Bonds total \$4.2 million and have an average interest rate of 3.99%. Based on current market conditions, debt service savings are estimated to be \$314,000 or 7.48% of the bonds refunded. The average annual savings are estimated to be approximately \$40,000 per year. The final payment date will not be extended and the estimated average rate for the refunding portion is 1.75%.

The issuance of 2012 Series Bonds will cover the items presented to City Council during the Fiscal Year 2013 Budget presentation. These items include: recoating of the water storage tank at Plant #3, watermain replacement at Walkup and Route 176, a generator at Wastewater Treatment Plant #5, automation of the wastewater treatment plant, well replacement at Well #18, watermain replacements for extension to Water Treatment Plant #4, Lift Station #1 improvements, and various renovations to the Water Treatment Plants. These items together with bond issuance costs equate to \$4,930,000 of the total \$9,130,000 bond issue. The balance of the bonds is to refinance the 2004 Bond Issue.

The 2004 Bond Issue had four components to the original issue for \$7,825,000. The four components were \$1,625,000 for water meter replacements, \$1,525,000 for water projects, \$1,525,000 for Crystal Heights SSA, and \$3,150,000 for the SEECOM Project.

The new Bonds will be marketed as General Obligations Bonds and the documents will state the ability of the City to levy property taxes solely to pay debt service as a backup to user fees. The portion attributable to the water and sewer system improvements will be provided from the increase in the utility rates as outlined in the utility rate study previously presented to City Council.

Attached is a copy of the bond ordinance prepared by the City's Bond Counsel, Chapman & Cutler. The competitive bid process will be held on the same day as the City Council meeting in an effort to obtain the most competitive interest rates. Immediately prior to the City Council meeting, a newer version of the enclosed ordinance will be distributed to the Councilmembers together with the results of the competitive sale. The options chosen and the ordinance presented on September 18, 2012 will reflect the best interest rate based on the competitive sale and the most favorable financing structure for the City of Crystal Lake. Staff and Bond Counsel request that the City Council vote on the ordinance at the September 18, 2012 Council meeting to complete the authorization for the sale of the bonds.

To provide a complete understanding of the use of the expected bond proceeds, below is the breakdown:

Utility System Improvements

Total = \$4,858,009

- Recoating of wastewater tank at Plant #3 (\$780,000)
- Well #18 replacement (\$375,000)
- Water main replacement - Walkup & Rt.176 (\$625,000)
- Design and installation of generator - Water Treatment Plant #5 (\$600,000)
- Automation of Wastewater Treatment Plant #3 (\$585,000)
- Water main extension to Water Treatment Plant #4 (Matthews connection) (\$263,000)
- Rt. 31 sanitary sewer & water main replacement in conjunction with IDOT project (\$100,000)
- Well #17 abandonment (\$25,000)
- Lift Station #1 improvements, new pumps and piping for this lift station (\$138,000)
- Wastewater Treatment Master Plan, engineering and SCADA (\$195,009)
- Flood Mitigation projects (\$850,000)
- Various Water Treatment Plant renovations including a roof at Plant #1, softener rehab at Plant #3 and electrical grounding at various plants (\$322,000)

Refunding 2004 Bond Issue

Total = \$4,138,303

Original issue was for new water meters, water projects, SEECOM project, and Crystal Heights SSA.

(Net savings over 8 years = \$314,000)

Cost of Issuance

Total = \$69,463

Bond Counsel, Financial Advisor, Bond registrar, administrative fees, rating agency fees, printing of documents, CUSIP Service Bureau, electronic auction and delivery charges.

Estimated Underwriter Fees

Total = \$64,225

Fee for issuance and recording of the bonds. When investment bankers underwrite bonds, they assume the risk of buying the newly issued bonds from the governmental unit. They then resell the bonds to the public or to dealers who sell them to the public.

Total Bond Proceeds = \$9,130,000

Kelly Kost, the City's Bond Counsel, Robert Lewis, the City's financial advisor, and City Attorney John Cowlin have reviewed and approved the attached documents.

**Votes Required to Pass:**

A simple majority of the City Council.