

SYCAMORE CITY COUNCIL
AGENDA
October 21, 2019

CITY COUNCIL COMMITTEES

No Committee Meetings are Scheduled

REGULAR CITY COUNCIL MEETING
7:00 P.M.

- 1. CALL TO ORDER AND ROLL CALL**
- 2. INVOCATION**
- 3. PLEDGE OF ALLEGIANCE**
Led by students from Southeast Elementary School.
- 4. APPROVAL OF AGENDA**
- 5. APPOINTMENTS**
- 6. AUDIENCE TO VISITORS**
- 7. CONSENT AGENDA**
 - A. Approval of the Minutes for the Regular City Council Meeting of October 7, 2019.
 - B. Payment of the Bills for October 21, 2019.
- 8. PRESENTATION OF PETITIONS, COMMUNICATIONS, AND BILLS**
 - A. Proclamation Declaring Wednesday, October 23, 2019 as Jerry Malmassari Day in the City of Sycamore, Illinois.
- 9. REPORTS OF OFFICERS**
- 10. REPORTS OF STANDING COMMITTEES**
- 11. PUBLIC HEARINGS**
- 12. ORDINANCES**

A. Ordinance 2019.29—An Ordinance Amending the Combined Annual Budget and Appropriation Ordinance for the Fiscal Year 2019-2020 in the City of Sycamore, Illinois. First and Second Reading.

Each year, the City’s annual budget is revised midyear to reflect audited numbers for the previous fiscal year ending on April 30th, and the actual contract prices and activities approved in the first half of the current fiscal year. After the presentation of the annual independent audit on October 7th, the City’s FY2019-2020 fiscal budget was revised to include the audited FY2018-2019 numbers and revisions to this year’s budget to reflect actual costs. The revised budget document is available on the City’s website: www.cityofsycamore.com and at the Sycamore Library.

The majority of the proposed amendments reflect the actual costs of this capital projects, carry-over expenses that were budgeted and unspent last fiscal year, or revenues and expenditures associated with grant awards. The amendments also include additional contributions of \$30,000 to each of the respective Fire, Police and IMRF pension funds. These contributions come from general fund reserves made possible by finishing FY19 in a favorable budget position.

The proposed mid-year budget changes are represented in the table below:

Line Item	Original	Amended	Notes
01-000-3741	0	30,000	Reserve transfer for IMRF contribution
01-000-9001	0	30,000	Reserve transfer for IMRF contribution
01-000-9015	0	30,000	Reserve transfer to Police Pension
01-000-9016	0	30,000	Reserve transfer to Fire Pension
01-000-9023	150,000	126,536	Reduce GF transfer by amount of water fund transfer
01-513-8173	0	30,000	Additional IMRF contribution
02-000-4502	0	170,000	Reserve transfer for Well #6 repairs
02-000-9002	0	170,000	Reserve transfer for Well #6 repairs
02-000-9023	0	23,464	Transfer to Employee Benefit Assistance Fund
02-740-8500	0	20,000	Increase to zero out 02-740-9040
02-740-8632	0	70,000	Water study report
02-740-9040	90,000	0	Offset increase in 02-740-8632
02-741-8632	25,000	195,000	Well #6 repairs
06-000-3411	0	83,905	Reflect actual grant revenues
06-000-3722	0	14,500	Reflect actual grant revenues
06-000-8495	0	98,405	Corresponding grant expenditures
15-000-4501	0	30,000	Reserve transfer from General Fund
16-000-4501	0	30,000	Reserve transfer from General Fund
22-000-3711	0	19,270	Insurance reimbursement
22-000-8521	41,400	60,670	Offset expenditures related to insurance reimbursement

23-000-3702	0	23,464	Transfer in for accrued leave of senior employees
23-000-3741	150,000	126,536	Reduce GF transfer by amount of water fund transfer
39-000-3732	0	16,000,000	Anticipated IEPA loan proceeds
39-000-8626	0	16,000,000	Corresponding WWTP expenditures

City Council approval is recommended.

B. Ordinance 2019.30—An Ordinance Amending Title 5, “Police Regulations,” Chapter 4, “Miscellaneous Offenses,” Section 14, “Controlled Substances and Cannabis,” of the City Code of the City of Sycamore, Illinois. First Reading.

On June 25, 2019, Governor Pritzker signed the Cannabis Regulation and Tax Act into law (Public Act 101-27) legalizing and regulating production, consumption, and sale of cannabis in Illinois. The law is effective on January 1, 2020, and allows persons aged 21 and older to lawfully possess up to 30 grams of raw cannabis, 5 grams of cannabis concentrate, and 500 milligrams of cannabis infused products (e.g., edibles).

Municipalities cannot restrict private consumption of cannabis as authorized in the new law. Communities, including the City of Sycamore, need to decide whether or not to allow recreational cannabis dispensaries within corporate limits. The City Council was presented information on adult-use recreational cannabis in September and after conducting a public hearing on October 7th discussed whether or not to allow dispensaries. Based on that discussion and direction, staff has drafted Ordinance 2019.30 to allow for adult-use recreational cannabis dispensaries in Sycamore. The ordinance also prohibits on-premises consumption of cannabis.

In addition to allowing adult-use recreational cannabis dispensaries and prohibiting on-premise consumption, the ordinance amends Section 5-4-14, “Controlled Substances and Cannabis,” to align the City Code with the new State Law and provide definitions as follows:

Section A. Definitions (New definitions added):

ADULT-USE CANNABIS DISPENSARIES: A facility operated by an organization or business that is licensed by the Illinois Department of Financial and Professional Regulation to acquire cannabis from licensed cannabis business establishments for the purpose of selling or dispensing cannabis, cannabis-infused products, cannabis seeds, paraphernalia or related supplies to purchasers or to qualified registered medical cannabis patients and caregivers, per the Cannabis Regulation and Tax Act, (P.A.101-0027), as it may be amended from time-to-time, and regulations promulgated thereunder.

CANNABIS REGULATION AND TAX ACT (CRTA): On June 25, 2019, Illinois Governor J.B. Pritzker signed the Cannabis Regulation and Tax Act into law. The CRTA goes into effect on January 1, 2020, and legalizes and regulates the production, consumption, and sale of recreational cannabis in Illinois. The CRTA allows Illinois residents over the age of 21 to possess and privately use recreational cannabis in limited quantities; however, use of cannabis in public places is prohibited.

ON-PREMISES CONSUMPTION: A unit of local government, including a home rule unit, or any non-home rule county within the unincorporated territory of the county may regulate the on-premises consumption of cannabis at or in a cannabis business establishment within its jurisdiction in a manner consistent with the Cannabis Regulation and Tax Act. The CRTA applies the restrictions of the Smoke Free Illinois Act on smoking cannabis and provides that property owners may prohibit the use of cannabis by any guest, lessee, customer or visitor.

Section B. Dispensaries (New language):

The State of Illinois has enacted the Cannabis Regulation and Tax Act, which pertains to the possession, use, cultivation, transportation and dispensing of adult-use cannabis. The City of Sycamore has the authority to adopt ordinances and to promulgate rules and regulations that protect the public health, safety and welfare of its citizens. Beginning January 1, 2020, the City of Sycamore will permit adult use recreational cannabis dispensaries consistent with zoning ordinances regulating adult use recreational cannabis business establishments, including rules governing the time, place, manner and number of cannabis business establishments, and minimum distance limitations between cannabis business establishments and locations the City deems sensitive through a special use process. The appropriate zoning ordinances, rules and definitions shall be promulgated in the City's Unified Development Ordinance (UDO) effective January 1, 2020, as amended from time-to-time.

The City of Sycamore prohibits the on-premises consumption of cannabis at or in a cannabis business establishment within its jurisdiction in a manner consistent with the Act.

Section C. Violations (Amended to align with State Law):

It is unlawful for any person to manufacture, deliver or possess any and all equipment, products and materials of any kind which are peculiar to and marketed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling or otherwise introducing in the human body any ~~cannabis or a~~ controlled substance, including any and all articles listed in the Illinois drug paraphernalia control act, 720 Illinois Compiled Statutes 600, as amended.

It is unlawful for any person under the age of twenty-one (21) years to knowingly possess any quantity of any substance containing cannabis. ~~It is unlawful for any person to knowingly possess any quantity of any substance containing cannabis, except that the effect of this chapter shall be limited for purposes of municipal prosecution to persons knowingly possessing less than ten grams (10 g) of any substance containing cannabis. (Ord. 2005.78, 1-3-2006)~~

This ordinance is effective January 1, 2020.

Once action is taken on this ordinance, the Council will want to consider imposing a Municipal Cannabis Retailers' Occupation Tax (Ordinance 2019.31, below) and will want to consider zoning regulations such as minimum distance limitations between other cannabis establishments, liquor establishments, schools, daycare centers, nursing homes, residential areas, etc. This process would

begin with the Planning and Zoning Commission in November and would follow a similar process utilized when medical cannabis businesses were established as a special use.

C. Ordinance 2019.31—An Ordinance Amending Title 3, “Business and License Regulations,” Chapter 13, “Occupation Taxes,” of the City Code of the City of Sycamore to Create a New Section 4, “Municipal Cannabis Retailers’ Occupation Tax”. First Reading.

If the City authorizes the retail sale of adult-use recreational cannabis by approved dispensing organizations, the Cannabis Regulation and Tax Act (CRTA) allows for the imposition of a municipal tax under the Municipal Cannabis Retailers’ Occupation Tax Law. The tax may be up to 3% of the gross receipts of cannabis products and must be imposed in 0.25% increments.

Given that much of the discussion regarding adult-use recreational cannabis dispensaries has been about offsetting any potential impacts with newly generated tax revenue, staff recommends that the Council consider the full 3% Municipal Cannabis Retailers’ Occupation Tax.

The tax revenues generated by this ordinance are remitted by dispensaries to the Illinois Department of Revenue (IDR) and then distributed to the City. The CRTA allows for municipalities to impose this tax effective September 1, 2020, however this ordinance call for it to be effective January 1, 2020, or the soonest it can be imposed by the IDR in the event the Act is amended.

13. RESOLUTIONS—None

14. CONSIDERATIONS

A. Consideration of an Administration Request for a Closed Session to Discuss Collective Bargaining and Pending Litigation.

15. OTHER NEW BUSINESS

16. ADJOURNMENT