

**MINUTES OF THE REGULAR MEETING
OF THE GURNEE VILLAGE BOARD**

**GURNEE VILLAGE HALL
AUGUST 21, 2017**

Call to Order	Mayor Kovarik called the meeting to order at 7:00 p.m.
Other Officials in Attendance	Patrick Muetz, Village Administrator; David Ziegler, Assistant Village Administrator/Community Development Director; Bryan Winter, Village Attorney; Brian Gosnell, Finance Director; Christine Palmieri, Director of Human Resources; John Kavanagh, Fire Chief; Kevin Woodside, Police Chief; Sandra Campbell, Deputy Police Chief, Jack Linehan, Assistant to the Administrator
Roll Call	PRESENT: 6- Balmes, Hood, Thorstenson, Jacobs, Ross, Garner ABSENT: 0-None
Pledge of Allegiance	Mayor Kovarik led the Pledge of Allegiance.
<u>A. PUBLIC COMMENT</u>	None.
<u>B. APPROVAL OF CONSENT AGENDA</u>	<p>It was moved by Trustee Jacobs, seconded by Trustee Balmes to approve the Consent Agenda as presented.</p> <p><u>Roll call,</u> AYE: 6- Balmes, Hood, Thorstenson, Jacobs, Ross, Garner NAY: 0- None ABSENT: 0- None Motion Carried.</p>
<u>C. CONSENT AGENDA / OMNIBUS VOTE</u>	<p>The Village Administrator read the consent agenda for an omnibus vote as follows:</p> <ol style="list-style-type: none">1. Approval of the minutes from the August 7, 2017 Village Board meeting.2. Approval of Payroll for period ending August 4, 2017 in the amount of \$835,524.59.3. Approval of Bills for the period ending August 21, 2017 in the amount of \$1,764,382.69. <p>It was moved by Trustee Garner, seconded by Trustee Jacobs to approve the Consent Agenda for an omnibus vote as read.</p> <p><u>Roll call,</u> AYE: 6- Balmes, Hood, Thorstenson, Jacobs, Ross, Garner NAY: 0- None ABSENT: 0- None Motion Carried.</p>
<u>E. REPORTS</u>	<ol style="list-style-type: none">1. Report by Finance Director Brian Gosnell – Fiscal Year 16/17 Fourth Quarter financial performance. <p>The Village Finance Director Brian Gosnell presented the following Power Point presentation to the Board.</p> <p>Fiscal Year 2016/2017 - 4th Quarter Financial Review</p> <p>Planning & Reporting Process</p> <p>FY17 is almost complete with the presentation of the audited financial statements set for October.</p> <p>Planning elements for FY18 are complete and staff will begin reporting quarterly.</p> <p>FY19 is in the early planning stages with work beginning on the Multi-year plans to be discussed later this year.</p>

Cash & Investments

- Total \$33,278,069
 - General Fund 67%
 - W&S 18%
 - Capital Fund 5%
 - 38% in Money Markets - IL Funds
 - 31% Checking/Cash – First Midwest
 - 31% Short-Term Fixed Income – Schwab
- Yield vs. Benchmark
 - Village Portfolio – 0.882%
 - 91 Day T-Bill – 0.790%

General Fund – Major Revenues

Major revenues in the General Fund, which account for about 75% of all revenues, finished the year with a positive variance of 1.49% or \$391k versus budget, but more importantly 0.75% or \$200k behind last year.

Sales taxes finished the year \$150k ahead of budget and only \$34k ahead of last year. Sales tax flatten over the last 2 years and that continued through the end of the fiscal year.

Income taxes finished Behind budget by 4.65% or \$145k behind budget and 10.83% or \$362k behind last year. The IML revised their projections down several times throughout the year as it became apparent income tax receipts were missing projections. Staff saw that carry through the fiscal year.

Use tax finished a strong year 6.2% or \$47k ahead of budget and about the same versus last year. The major driver is online retailer's voluntarily paying sales tax which is distributed to municipalities via the use tax.

Telecom taxes continued to slide however it is sliding less than anticipated. Staff expected another 5% drop and budgeted accordingly for FY18.

- Budgeted Surplus \$10,502
 - Revenues Over Budget \$724,542
 - Expenditures Under Budget \$841,729
- Actual Surplus = \$1,576,773
 - After \$950k to capital
- Projection = \$1,003,176

Water & Sewer Fund

- Budgeted Deficit \$323,185
 - Revenues Over Budget \$804,341
 - Expenditures Under Budget \$339,514
- Actual Surplus = \$820,670
- Projection = \$578,586

Other Funds

The 911 Fund had a larger variance than budgeted due to the close out of the fund and transfer to the new Joint ETSB. The actual transfer will come before the Board closer to the completion of the audit and should be around \$300k.

The Motor Fuel Tax Fund finished with a larger deficit than anticipated due to the lack of a state budget and subsequent infrastructure bill and release of the high growth cities funding.

The Capital Fund finished better than budget by behind the year end estimate and this is largely due to the timing of the Fire Grant that came in after the end of the year and the additional work to complete the Village Park Project.

The Police and Fire pension funds finished better than anticipated largely due to investment performance later in the year.

Police & Fire Pension

- Police Pension (Ziegler & Stratford)
 - Avg. Monthly Portfolio Balance - \$40.92m
 - FY17 Gains/Income – \$2.82m
 - FY17 Annual Return – 6.90%
 - 12 month Rolling Return – 6.90%
 - 36 month Rolling Return – 6.30%

- Fire Pension (Sawyer Falduto)
 - Avg. Monthly Portfolio Balance - \$30.99m
 - FY17 Gains/Income – \$3.31m
 - FY17 Annual Return – 10.67%
 - 12 month Rolling Return – 10.67%
 - 36 month Rolling Return – 5.53%

Challenges Ahead

- Income Tax
 - Impact -\$300,000
- Sales Tax Collection Fee
 - Impact -\$190,000
- Great Wolf timing

Questions:

Trustee Ross asked about the accelerated income tax payments this year and requested clarification on the impact next year.

Mr. Gosnell said that is correct about two additional payments this fiscal year and said FY2019 will be real challenging.

Trustee Garner asked if there is a plan in place to deal with the challenges ahead

Mr. Gosnell said staff certainly working on it and will have recommendations in the near future.

Trustee Thorstenson asked if there is anything the Village can do to make sure the Great Wolf project stays on time as it relates to permitting.

Mr. Ziegler said the Village has issued or is ready to issue all the permits. He said they are still working on foundations improvements. He said staff is also closely monitoring the State permits that they need.

Mr. Muetz said future years will be challenging as the Village’s main revenue source, Sales Tax, continues to flatten. In addition, action at the State level has already reduce revenue by an estimated \$500k next fiscal year.

Mayor Kovarik said one thing going in our favor is the Gurnee Mills and Six Flags continue to invest in the facilities and the Police Station bonds will soon be paid off.

Trustee Balmes asked how the flood will impact the budget.

Mr. Muetz said we haven’t received all the bills but they will be segregated from other expenses and can hopefully be covered with operational surplus.

F. OLD BUSINESS

None.

G. NEW BUSINESS

1. Approval of Ord. 2017 - 41 granting a Final PUD Plan pursuant to the Gurnee Zoning Ordinance for 8.6 acres located at 1001 N. Hunt Club Road (approximately 1,700 feet south of the intersection of Hunt Club Road and Dada Drive).

Mr. Ziegler said Ashbury Woods was initially annexed and approved in 2007. Due to the downturn in the housing market the developer has not started the project. In 2014, the project resurfaced to increase the density of the development from 14 residential units to 18 units by amending the Preliminary and Final PUD Agreements for the parcel. This request was subsequently reviewed and approved

by the Village Board. Mr. Ziegler to date, this preliminary approval still stands as the zoning code allows for a four-year duration between preliminary and final approval. However, the Final PUD authorization has expired, as the zoning code only allows for two years between approval and start of construction. Similarly, the Final Plat of Subdivision has expired and is also being updated. The developer is now seeking Final PUD authorization to proceed with construction activities on the site. The Final PUD Plan is deemed to be in substantial conformance with the preliminary plan with the five exceptions that were approved administratively. In conjunction with the Final PUD, there are two minor amendments incorporated, which include:

- a) Re-authorization and approval of the Final Plat of Subdivision (will appear before the Village Board at a future date); and
- b) Modification to the Security for Public Improvements with regards to fee-in lieu of roadway extension and sidewalks. The developer is proposing to include the fee-in-lieu funds as part of the Letter-of-Credit security and pay the fees at the conclusion of the project. While the Village's receipt of the funds would be delayed, the fact that they are included in the security posted for the project will allow for the eventual collection of them without concern.

Mr. Ziegler concluded by stating the agreements with the schools, library and Park District are in place and will be paid as lots are developed.

Trustee Ross asked if this was the development where the Board was concerned about the density originally.

Mr. Ziegler said they increased from 14 residential units to 18 in 2014. He said this is consistent with the current plan with 18 building sites.

It was moved by Trustee Hood, seconded by Trustee Jacobs to approve of Ord. 2017 - 41 granting a Final PUD Plan pursuant to the Gurnee Zoning Ordinance for 8.6 acres located at 1001 N. Hunt Club Road (approximately 1,700 feet south of the intersection of Hunt Club Road and Dada Drive).

Roll call,

AYE: 6- Balmes, Hood, Thorstenson, Jacobs, Ross, Garner

NAY: 0- None

ABSENT: 0- None

Motion Carried.

H. PUBLIC COMMENT

None.

I. EXECUTIVE SESSION

Adjournment to Executive Session

The Village Attorney stated that tonight's Executive Session will reference:

5 ILCS 120/2 (c) (21) Discussion of minutes of meetings lawfully closed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06.

5 ILCS 120/2 2 (c) (5) which states: The purchase or lease of real property for the use of the public body, including meetings held for the purpose of discussing whether a particular parcel should be acquired.

It was moved by Trustee Garner, seconded by Trustee Jacobs to adjourn the meeting into Executive Session.

Roll call,

AYE: 6- Balmes, Hood, Thorstenson, Jacobs, Ross, Garner

NAY: 0- None

ABSENT: 0- None

Motion Carried.

Mayor Kovarik adjourned the meeting into Executive Session at 7:38p.m.

Recall to Order

Mayor Kovarik recalled the meeting to order at 7:51 p.m.

PRESENT: 6- Balmes, Hood, Thorstenson, Jacobs, Ross, Garner
ABSENT: 0- None

Closing Comments

None.

Adjournment

It was moved by Trustee Balmes, seconded by Trustee Jacobs to adjourn the meeting.

Voice Vote: ALL AYE: Motion Carried.

Mayor Kovarik adjourned the meeting at 7:52 p.m.

Andrew Harris,
Village Clerk