

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

**GURNEE VILLAGE HALL  
SEPTEMBER 12, 2022**

<b>Call to Order</b>	Mayor Hood called the meeting to order at 7:00 p.m.
<b>Other Officials in Attendance</b>	Patrick Muetz, Village Administrator; Austin Pollack, Assistant to the Village Administrator; Bryan Winter, Village Attorney; David Ziegler, Community Development Director; Heather Galan, Public Works Director; Brian Gosnell, Finance Director; Christine Palmieri, Director of Human Resources; Ellen Dean, Economic Development Director; Nick Leach, Village Engineer; Erica Wells, Assistant Finance / Human Resource Director; Jodi Luka, Management Analyst; John Kavanagh, Fire Chief; David Douglass, Battalion Chief; Jesse Gonzalez, Deputy Police Chief.
<b>Roll Call</b>	<b>PRESENT: 6- Balmes, Thorstenson, Woodside, Ross, Garner, O'Brien</b> <b>ABSENT: 0-</b>
<b>Pledge of Allegiance</b>	Mayor Hood led the Pledge of Allegiance.
<b><u>A. APPROVAL OF CONSENT AGENDA</u></b>	<p>It was moved by Trustee Balmes, seconded by Trustee O'Brien to approve the Consent Agenda as presented.</p> <p><b><u>Roll call,</u></b> <b>AYE: 6- Balmes, Thorstenson, Woodside, Ross, Garner, O'Brien</b> <b>NAY: 0- None</b> <b>ABSENT: 0- None</b> <b>Motion Carried.</b></p>
<b><u>B. CONSENT AGENDA / OMNIBUS VOTE</u></b>	<p>The Village Administrator read the consent agenda for an omnibus vote as follows:</p> <ol style="list-style-type: none"> <li>1. Approval of minutes from the August 22, 2022 Village Board meeting.</li> <li>2. Approval of Ord. 2022 – 49 authorizing execution of a Professional Services Agreement with Bollinger Lach &amp; Associates for Engineering Services for the 2023 Construction Season (Waveland Avenue and Lawrence Avenue reconstruction projects).</li> <li>3. Approval of Payroll for period ending August 26, 2022 in the amount of \$966,918.93.</li> <li>4. Approval of Bills for the period ending September 12, 2022 in the amount of \$3,456,090.57.</li> </ol> <p>It was moved by Trustee Balmes, seconded by Trustee Garner to approve the Consent Agenda for an omnibus vote as read.</p> <p><b><u>Roll call,</u></b> <b>AYE: 6- Balmes, Thorstenson, Woodside, Ross, Garner, O'Brien</b> <b>NAY: 0- None</b> <b>ABSENT: 0- None</b> <b>Motion Carried.</b></p>
<b><u>C. PETITIONS AND COMMUNICATIONS</u></b>	<ol style="list-style-type: none"> <li>1. Approval of Proclamation designating September 15 - October 15, 2022 as Hispanic Heritage Month in the Village of Gurnee.</li> </ol> <p>Mayor Hood read into record.</p> <p>It was moved by Trustee O'Brien, seconded by Trustee Thorstenson to approve of a Proclamation designating September 15 - October 15, 2022 as Hispanic Heritage Month in the Village of Gurnee.</p> <p><b>Voice Vote: ALL AYE: Motion Carried.</b></p>
<b><u>D. REPORTS</u></b>	<ol style="list-style-type: none"> <li>1. Presentation by Finance Director Brian Gosnell – Fiscal Year 2022/2023 First Quarter financial performance.</li> </ol>

Finance Director Brian Gosnell presented information regarding the 1<sup>st</sup> quarter financial status of Fiscal Year 2022/2023 including the following:

#### Cash & Investments

- Total \$47.6 million (Excludes Pension Funds & NLCC-ETSB)
  - 25% Checking
  - 44% Money Market
  - 31% Investments
- 58% General Fund
- 25% Capital Improvement Fund
  - Fire Station #3 Payoff in Oct \$5.1m
- 11% Water & Sewer Funds

#### 110-General Fund Summary

- Total Revenues \$12.9 million
- Total Expenditures \$11.9 million
- Surplus/(Deficit) \$1.0 million
- Notable Negative Variances
  - Licenses
  - ARPA 2<sup>nd</sup> Tranche
  - Red Light
  - Liability & Work Comp Insurance Premiums

#### Major Revenues

- 68% of General Fund Revenues
- Annual Budget \$30.8 million
- Year-To-Date \$9.2 million
  - +12.1% vs. Last Year
  - +34.8% vs. 5-Year Average
  - +22.5% vs. Adjusted Budget
- Income Tax – Advanced Corporate Payments
- Use Tax – Internet Sales

#### Sales Tax

- Annual Budget \$18.1 million
- Year-To-Date \$4.6 million
  - +6.1% vs. Last Year
  - +23.1% vs. 5-Year Average
  - +17.7% vs. Adjusted Budget
- Softening in Q2 – 2%

Gosnell noted the first two payments in the 2<sup>nd</sup> quarter showed about a 2% drop from the prior year.

#### Amusement Tax

- Annual Budget \$3.6 million
- Year-To-Date \$1.2 million
  - +17.2% vs. Last Year
  - +37.6% vs. 5-Year Average
  - +17.4% vs. Adjusted Budget

Gosnell stated that the increase in amusement tax was across the board not just Six Flags.

#### Food & Beverage Tax

- Annual Budget \$2.1 million
- Year-To-Date \$657 thousand
  - +11.7% vs. Last Year
  - +31.9% vs. 5-Year Average
  - +22.8% vs. Adjusted Budget

Gosnell noted the increase was widespread and not attributed to any single taxpayer.

#### Hotel Tax

- Annual Budget \$1.8 million
- Year-To-Date \$587 thousand
  - +28.4% vs. Last Year
  - +89.6% vs. 5-Year Average
  - +47.3% vs. Adjusted Budget

#### 221&223 Water & Sewer Funds

- Total Revenues \$9.6 million
- Total Expenditures \$12.5 million

- Surplus/(Deficit) \$401 thousand
- Notable Negative Variances
  - Insurance Premiums
  - Meter Purchase
- Cash Balance \$5.1 Million
  - 64.6% of Budgeted Operating Expenditures

Gosnell stated the Village will be discussing a senior discount and long-term rate plans later in the fall.

#### Water Usage

- 2 Month Lag
- Leading Indicator of Revenues
- Usage
  - -13.6% vs. FY2022
- Precipitation
  - +164.1% vs. FY2022

Trustee Garner asked if other municipalities were seeing the same trends as the Village. Gosnell noted area finance directors are in frequent communication and are seeing the same thing.

#### 2. Presentation by Village Engineer Nick Leach – Community Rating System and Flood Insurance update.

Village Engineer Nick Leach provided the Village Board a status update on the current Community Rating System (CRS) rating and a Flood Insurance Assessment on the current number of flood insurance policies within the Village. He stated the CRS is a voluntary incentive program that recognizes and encourages community floodplain management practices that exceed the minimum requirements of the National Flood Insurance Program (NFIP). The Village recently went through a cycle review. The review takes place every five years to determine if the existing class remains or move up or down is justified. In years past the Village has remained a Class 6 CRS rating.

In CRS communities, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community's efforts that address goals of the program.

After meeting with Gurnee's CRS Specialist in March of 2022 and reviewing the activities it performs on a yearly basis the Village was able to capture more points based on its location within the floodway. The majority of the new points came from floodway property on private property which was not previously included in the assessment. Engineer Leach continued to state in the past the Village would score in the 2,200-point range, which is a Class 6. With the added open space acreage, it pushed the Village to 2,493 points, which is seven points short of a class 5 rating. By providing the CRS and Flood Insurance update at tonight's meeting the Village was able to secure additional points to obtain a Class 5 rating. A Class 5 rating results in a 25% discount on flood insurance premiums.

Engineer Leach next reviewed the Flood Insurance Assessment (FIA). To start the FIA the Village received data from FEMA and, in coordination with our GIS data, were able to conclude that there are roughly 130 Buildings within the Floodplain known as the Special Flood Hazard Area (SFHA). Of the 130 buildings, there are only 39 policyholders within the SFHA. In total, the Village has 86 policy holders:

- 39 Policies in SFHA
- 7 policies that are considered standard - Out of the SFHA receiving 10% Discount
- 40 Policies that are considered preferred risk policies (No Discount)

Staff also looked at paid claims to policyholders. With seven Repetitive Loss properties and 108 paid claims since 1978, staff concludes properties within our Repetitive Loss areas and historic flooded areas, along with properties within the SFHA, should receive additional attention from Village. Staff recommends continuing with outreach projects to raise awareness of flood hazards in these areas and to promote the purchase of flood insurance for property protection throughout the Village. These activities may include, but are not limited to:

- Direct mailings to residents in these areas.
- Using social media, website and other digital media.
- Continue working with FEMA on Flood Insurance Studies and Physical Map Revisions.

To stay a class 5 CRS rating the Village will need to reassess the flood insurance coverage in five years before the next cycle verification to see progress throughout the Village.

Village Engineer Leach concluded the presentation by reviewing flood insurance policy statistics by zone and occupancy-type.

Questions:

Trustee Balmes asked how a structure could have repetitive losses. Engineer Leach stated repetitive losses are possible until the point that 50% of the fair market value is reached. Trustee Balmes asked if the Village has taken the title to all the properties that have been removed from the floodplain and if these properties will help with obtaining a Class 5 rating. Engineer Leach stated the Village has not taken title for all the properties yet, but will in the future. He continued to state the Village has reached enough points for a Class 5 rating without the properties it is waiting for title. Trustee Balmes asked how the Village achieves a Class 4 rating. Engineer Leach discussed the separation between the two classes.

Trustee O'Brien asked if more people obtaining flood insurance would result in more points. Engineer Leach stated CRS is based on the number of activities conducted related items such as communicating the benefits of flood insurance, preventing flooding and removing flood prone properties for example, not the number of properties that have coverage.

#### **E. OLD BUSINESS**

None.

#### **F. NEW BUSINESS**

1. Approval of Ord. 2022 – 50 granting a Zoning Map Amendment pursuant to the Gurnee Zoning Ordinance for 4236 Old Grand Avenue.

Administrator Muetz said the Eides own two contiguous parcels on Old Grand Avenue: 4236 Old Grand which is zoned C-4, Village Center; and 4242 Old Grand which is zoned C-2, Community Commercial. The eastern parcel contained a home that was demolished earlier this year, while the western parcel is vacant. The Eides are requesting to rezone 4236 Old Grand (eastern parcel) which is currently zoned C-4 to C-2. The petitioner has stated the desire is to construct an accounting firm office on the site and relocate from a current location at Greenleaf & Washington. The item appeared before the Planning & Zoning Board on two occasions: on December 15, 2021 for an informal review and on August 3, 2022 for a public hearing/formal consideration. Administrator Muetz stated at the informal review the PZB communicated that it felt C-4 was the most appropriate zoning for both properties. The PZB reasoning was to protect homes in the area from C-2 uses that are allowed by right or via Special Use Permit as C-4 allows the Village more oversight and input related to business uses on items such as parking, landscaping, signage, lighting and business hours. The PZB also stated C-4 is consistent with the Comp Plan and C-2 to the west was provided many years ago to accommodate already existing commercial uses that are not anticipated to continue in perpetuity. As a result, the PZB favored rezoning 4242 Old Grand to C-4. In August the petitioner appeared before the PZB request to rezone 4236 Old Grand (eastern parcel) which is currently zoned C-4 to C-2. Muetz stated at the August Public Hearing the PZB reiterated the same concerns and is forwarding a unanimous unfavorable recommendation (two members did abstain, therefore the vote was 0-4-2).

Petitioner emphasized he is an accountant and relied and development professionals. Those professional recommended pursuing the C-2 zoning. He then shared some history on the business, the amount of time it has been in the Village and the proposed building they would like to construct on Old Grand.

Trustee Thorstenson asked for clarification on the current properties zoned C-2 on Old Grand. Administrator Muetz said if the properties are ever redeveloped staff will recommend they be rezoned to C-4.

Trustee Balmes stated the ability to help regulate items related to business operations to protect residential properties in the area makes her prefer C-4. This was an issue in the past.

Trustee Woodside asked if the petitioner if he could do what he wanted with C-4 zoning. The petitioner stated he believes that is possible, but was not the advice he was given related to zoning.

Trustee O'Brien asked for clarification related to the request. It was confirmed the request is related only to zoning.

Trustee Ross stated typically the Village Board follows the recommendation of the Planning & Zoning Board.

Attorney Winter stated the ordinance was presented in the affirmative. Therefore, a motion should be made in the affirmative and if a board member is supportive of the request, they should vote aye. If a board member is not supportive, they should vote nay.

It was moved by Trustee Balmes, seconded by Trustee O'Brien to approve of Ord. 2022 – 50 granting a Zoning Map Amendment pursuant to the Gurnee Zoning Ordinance for 4236 Old Grand Avenue.

**Roll call,**

**AYE: 0-**

**NAY: 6- Balmes, Thorstenson, Woodside, Ross, Garner, O'Brien**

**ABSENT: 0- None**

**Motion Failed.**

2. Approval of Ord. 2022 – 51 authorizing the execution of agreements relating to a Retirement Health Funding Plan for the Village of Gurnee Professional Firefighter's Association's IAFF Local 3598.

Administrator Muetz stated the IAFF has been researching Retirement Health Saving (RHS) plans for a number of years. He reminded the Village Board the most recent IAFF contract included language related to establishing such a plan for its membership. Since that time Chief Kavanagh, Finance Director Gosnell, Human Resources Director Palmieri and Assistant Finance/Human Resources Director Wells have been working with the IAFF and an IAFF-vendor of choice to implement a RHS program. Administrator Muetz stated Director Wells will provide the Village Board background and a summary of the program.

Director Wells stated the Village Board approved the current collective bargaining agreement between the Village and the Firefighters Union IAFF on April 18 of this year. The contract went into effect May 1 of this year and is valid through April of 2027. In the contract, the Village agreed to work with the union to establish a Retiree Health Savings Plan using a 115 Trust. The purpose of a 115 Trust is for members to save for qualified medical expenses and healthcare premium costs to be used at separation and/or retirement. She stated the 115 Trust assets help bridge the gap for those eligible to retire based on pension. The idea is members will have tax-free dollars set aside and avoid waiting on Medicare eligibility in order to afford health care premium in retirement or pay for healthcare costs out of pocket. Director Wells stated the cost of healthcare is a burden for most and in today's dollars out of pocket retiree healthcare premiums can cost \$800 - \$2,200 depending on the type of coverage selected. Based on IRS rules, 115 Trusts are set up to cover the bargaining group as a whole. Each member will contribute to the plan based on the details in the contract. This agreement states every member will contribute 1% of his or her base salary. Contributions are made before taxes through payroll deduction. In addition, a maximum contribution of 24 hours of accrued sick time will be made if the member has used no sick time during the year. As an incentive, if the member does not use any sick time during the year, the Village will also contribute a maximum of 24 hours at the member's hourly rate. Distributions are tax free when used towards qualified medical expenses at separation or

retirement. Funds can also be used by the member and/or their qualified tax dependent such as a child or spouse. Director Wells stated the item before the Board for consideration is an ordinance establishing the Welfare Benefit Plan Retiree Healthcare Funding Plan, the 115 Trust Agreement Retiree Healthcare Funding Plan and the Administrative Services Agreement for the Village of Gurnee Professional Firefighter's Association IAFF Local 3598.

Trustee O'Brien asked if the maximum exposure is \$50,000 per employee. Assistant Director Wells explained that the exposure is the annual exposure for all fire employees in the bargaining unit if they did not use any sick time, which is highly unlikely.

It was moved by Trustee Woodside, seconded by Trustee Garner to approve of Ord. 2022 – 51 authorizing the execution of agreements relating to a Retirement Health Funding Plan for the Village of Gurnee Professional Firefighter's Association's IAFF Local 3598.

**Roll call,**

**AYE: 6- Balmes, Thorstenson, Woodside, Ross, Garner, O'Brien**

**NAY: 0- None**

**ABSENT: 0- None**

**Motion Carried.**

3. Approval of request from Fire Department to waive bidding requirements and utilize the HGACBuy Ambulance Contract No. AM20XA09 to purchase a Road Rescue Ambulance including Stryker Power-LOAD patient lift system from Fire Service Inc. at a cost of \$319,931.00.

Administrator Muetz said in April of last year the Village ordered an ambulance. Due to supply chain issues, that unit has still not been built. It is currently estimated the unit will arrive in early 2023. The Fire Department vehicle replacement schedule includes replacement of Ambulance #1342 next fiscal year. The Department is requesting to place the order now due to extremely long lead times (currently estimated at 26 months). Muetz stated the Department operates four ambulances, with one additional ambulance set aside to cover calls when one of the primary units is out of service for maintenance or unscheduled repairs. By maintaining five ambulances the Department is able to stretch the useful life of each ambulance to 10 years, therefore every two years the Department's plans to replace an ambulance contingent on funding. Fire Service, Inc. is the current preferred manufacturer of the Village's fire equipment. To meet the specific needs of the Fire Department a Stryker Power-LOAD patient lifting system has been included in the specs of the new ambulance. To safe guard against extreme price increases, the Fire Department does have the ability to cancel the order should the chassis pricing substantially increase.

Trustee Balmes asked if the Fire Protection District will be assisting with this purchase. Administrator Muetz reminded the Board of the generous assistance the District provided for Fire Station #3 and stated the Village will cover the ambulance cost.

It was moved by Trustee Ross, seconded by Trustee Garner to approve of request from Fire Department to waive bidding requirements and utilize the HGACBuy Ambulance Contract No. AM20XA09 to purchase a Road Rescue Ambulance including Stryker Power-LOAD patient lift system from Fire Service Inc. at a cost of \$319,931.00.

**Roll call,**

**AYE: 6- Balmes, Thorstenson, Woodside, Ross, Garner, O'Brien**

**NAY: 0- None**

**ABSENT: 0- None**

**Motion Carried.**

**G. PUBLIC COMMENT**

None.

**H. EXECUTIVE SESSION**

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

<b>Adjournment to Executive Session</b>	<p>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.</p> <p>It was moved by Trustee O'Brien, seconded by Trustee Balmes to adjourn the meeting into Executive Session.</p> <p><b>Roll call,</b>  <b>AYE: 6- Balmes, Thorstenson, Woodside, Ross, Garner, O'Brien</b>  <b>NAY: 0- None</b>  <b>ABSENT: 0- None</b>  <b>Motion Carried.</b></p>
<b>Recall to Order</b>	<p>Mayor Hood adjourned the meeting into Executive Session at 7:51 p.m.</p> <p>Mayor Hood recalled the meeting to order at 7:56 p.m.</p> <p><b>PRESENT: 6- Balmes, Thorstenson, Woodside, Ross, Garner, O'Brien</b>  <b>ABSENT: 0-</b></p>
<b>Closing Comments</b>	None.
<b>Adjournment</b>	<p>It was moved by Trustee Ross, seconded by Trustee Garner to adjourn the meeting.</p> <p><b>Voice Vote: ALL AYE: Motion Carried.</b></p> <p>Mayor Hood adjourned the meeting at 7:57 p.m.</p>
<hr/> <p><b>Andrew Harris,</b>  <b>Village Clerk</b></p>	