

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

**GURNEE POLICE DEPARTMENT COMMUNITY ROOM
OCTOBER 19, 2020**

Call to Order

Mayor Kovarik called the meeting to order at 8:00 p.m.

Other Officials in Attendance

Patrick Muetz, Village Administrator; Heather Galan, Village Engineer; Bryan Winter, Village Attorney; Brian Gosnell, Finance Director; Christine Palmieri, Director of Human Resources; John Kavanagh, Fire Chief; Brian Smith, Police Chief

Roll Call

PRESENT: 6-Thorstenson, Ross, Garner, O'Brien, Balmes, Hood
ABSENT: 0- None

Pledge of Allegiance

Mayor Kovarik led the Pledge of Allegiance.

**A. APPROVAL OF
CONSENT AGENDA**

It was moved by Trustee Balmes, seconded by Trustee Garner to approve the Consent Agenda as presented.

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

**B. CONSENT
AGENDA /
OMNIBUS VOTE**

The Village Administrator read the consent agenda for an omnibus vote as follows:

1. Approval of minutes from the September 28, 2020 and the October 5, 2020 Village Board meetings.
2. Approval of Payroll for period ending October 9, 2020 in the amount of \$844,575.39.
3. Approval of Bills for the period ending October 19, 2020 in the amount of \$1,132,250.16.

It was moved by Trustee Ross, seconded by Trustee Thorstenson to approve the Consent Agenda for an omnibus vote as read.

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

**C. PETITIONS AND
COMMUNICATIONS**

1. Presentation of Police Awards for the calendar year 2019:

Chief Smith presented the following Police Awards:

- a. D.U.I. Enforcement Award:

Officer J.R. Nauseda 11th Time Recipient

- b. Alliance Against Intoxicated Motorists D.U.I. Award:

Officer Marcos Gomez 25 D.U.I. Pin
Officer Thomas Yencich 75 D.U.I. Pin

- c. Traffic Enforcement Award:

Officer Marcian Butur
Officer Austin Demski
Officer Brian Fiene
Officer Richard Vorpagel

Lisa Rogers (Court Monitor Director) and Rachael Stewart (Prevention and Education Specialist) from the Alliance Against Intoxicated Motorist discussed the importance of traffic safety efforts and thanked the Gurnee

Police Department and its officers for their commitment and efforts to make the roads safe for all motorists.

2. Approval of a Proclamation designating October 23 - 31, 2020 as "Red Ribbon Week" in the Village of Gurnee.

Mayor Kovarik read into record.

It was moved by Trustee O'Brien, seconded by Trustee Thorstenson to approve of Proclamation designating October 23 - 31, 2020 as "Red Ribbon Week" in the Village of Gurnee.

Voice Vote: ALL AYE: Motion Carried.

3. Approval of Proclamation designating November 1, 2020 as "Change your Clock, Change your Battery Day" in the Village of Gurnee.

Mayor Kovarik read into record.

It was moved by Trustee Garner, seconded by Trustee O'Brien to approve of Proclamation designating November 1, 2020 as "Change your Clock, Change your Battery Day" in the Village of Gurnee.

Voice Vote: ALL AYE: Motion Carried.

Mayor Kovarik said that there were no discussion topics on the agenda for the October 26th Committee of the Whole meeting and asked the Trustees if they would like to cancel the meeting.

It was moved by Trustee Balmes, seconded by Trustee Thorstenson to cancel the Committee of the Whole meeting for October 26, 2020.

Voice Vote: ALL AYE: Motion Carried.

D. REPORTS

1. Presentation by Finance Director Brian Gosnell – COVID-19 Financial Update #9.

Finance Director Gosnell presented the following Power Point presentation to the Board:

COVID-19 Financial Impact As of September 30, 2020

Expected Duration

- Restore Illinois - Phased Re-Opening
 - Currently Phase 4
 - Phase 5 (Fully Open) requires "vaccine or highly effective treatment widely available or the elimination of any new cases over a sustained period"
 - Updated Regions – Lake & McHenry Counties

Big Three Status

- Six Flags
 - Limited Opening with Safety Protocols
 - Holiday in the Park 11/27 – 12/27
- Gurnee Mills
 - Limited Opening with Safety Protocols
- Great Wolf Lodge
 - Limited Opening with Safety Protocols

General Fund – Revenues

- Projection -\$10m or -25%
 - Big Four -\$9m
 - Other Revenues -\$1m
- Actual Through September
 - -\$5.3m or -27.2%

General Fund – Big Four

- Projection -\$9m or -37%
 - Sales Tax -20%, -\$3.2m
 - Amusement Tax -90%, -\$3.2m
 - Hotel Tax -90%, -\$1.6m
 - Food & Beverage Tax -50%, -\$1m

- Actual Through September
 - -\$4.8m or -43.3%

Gosnell presented detailed projections for the following major revenue sources:

General Fund – Sales Tax

- Projection -15% for Remaining Months
- Last Month Actual -11.9%

General Fund – Amusement Tax

- Projection -90% for Remaining Months
 - GWL & Holiday in The Park Positive Impact Unknown
 - Timing of Six Flags Season Pass Sales Unknown
- Last Month Actual -90.6%

Gosnell noted that Amusement Tax surpassed Sales Tax as the greatest dollar impact through September and that may carry through the end of the year.

General Fund – Hotel Tax

- Projection -90% for Remaining Months
 - GWL Opening Impact Unknown
- Last Month Actual -92.3%

General Fund – F&B Tax

- Projection -50% for Remaining Months
 - Six Flags and GWL Halo Unknown
- Last Month Actual -46.0%

Gosnell noted the impact of the winter weather on outdoor dining and increased mitigation measures by the State will negatively impact Food & Beverage and Sales Tax over the winter.

General Fund – Other Revenues

- Projection -\$430k or -6%
- Actual Through September +\$105 thousand or 3.4%

Gosnell noted the positive variance now is due to the one-time security contracts with the Navy and a large commercial building permit and is not expected to carry through the end of the year.

General Fund – Expenditures

- Projection -\$3-5m or -7-12%
 - Impact on Next Fiscal Year Unknown
- Actual Through September
 - \$2.2m or 13.5% Under Budget

General Fund – Fund Balance

- Projection -\$5-7m
 - Pension Payments \$4.5m Due in December
- Actual Through September
 - The Village Used \$3.1m More in Fund Balance in FY2020 versus FY2019

Gosnell noted it is typical for the Village to build up fund balance in the first half of the year and spend it down when pension and debt payments are due in December.

General Fund – Outlook

- Use \$5-7m or 25% of Fund Balance
 - FY21 Beginning Fund Balance \$27m or 62%
 - Revenue Impact - \$10m or 25%
 - Expenditure Reductions - \$3-5m or 10%
 - FY21 Ending Fund Balance - \$20-22m (50%)
 - FY2008/2009 Levels

Other Funds

- Water & Sewer Fund
 - Water Sales Down 15% - \$1m
 - Delayed Capital
 - IEPA Loan, Additional Principal
- Capital Improvement Fund
 - HMR Sales Tax – 25% or \$1.2m
 - Delayed Capital

General Fund
Threats & Opportunities

Threats:

- Increased Restrictions
- Extended Lockdown
- School Closures
- Big Three
 - Public Response
 - Halo Impact
- Permanent Closures

Opportunities:

- Force Retail Re-Think
- Emerging Industries
- Re-Assess Revenue Vulnerabilities
- Re-Think Operating Models
 - Lessons Learned

Questions:

Trustee O'Brien said the parking lot at Crate and Barrel was packed this past weekend so that should help.

Mayor Kovarik said the opening of Crate and Barrel and Binny's will help.

Trustee Hood asked about the Cares Act funding.

Director Gosnell said the funding totals \$1.4 million and is not included in the information just provided.

Trustee Balmes asked if the movie theater is open.

Mayor Kovarik said yes but she didn't think many film companies were releasing new movies this year. She stated that with Six Flags closed the Village is losing significant Amusement Tax and Food & Beverage Tax.

Administrator Muetz said the impact of Six Flags being closed is quickly becoming more of a concern than Sales Tax revenue. He then provided a quick summary of the Holiday in the Park event that is planned at Six Flags.

2. Presentation by Fire Chief John Kavanagh – Fire Station Three Update #2.

Chief Kavanagh updated the Board on Fire Station Three's progress to date, which included the following information:

- The Engineering Department continues to work on the plans to reconstruct Manchester east of Route 21.
- The Engineering Department is working on securing the permits to build a stop light at Route 21 and Manchester.
- Camosy has installed the construction trailer on the site.
- Security fence has been installed along the west edge of the site.
- Footings and knee walls have been completed.
- Back fill of the site has occurred.

E. OLD BUSINESS

None.

F. NEW BUSINESS

1. Approval of Ord. 2020 - 60 accepting a Plat of Dedication for Public Roadway Use – Manchester Drive (north half).

Administrator Muetz said due to the construction of Fire Station #3 on Manchester Drive east of Route 21, the Village needs to control the maintenance aspects of this roadway. As a public roadway the Village will take over maintenance as well as snow plowing. This has been anticipated for some time and has been included in operational plans and budgets. The current private roadway is

centered on the common property line between the Triangle Corporate Park and the former Duke Development site. He continued to state both parties agreed to dedicate the Right-of-Way for Manchester Drive to the Village. The dedication plats have been drafted and approved by both property owners; therefore it is appropriate for the Village to accept them at this time.

It was moved by Trustee Balmes, seconded by Trustee Garner to approve of Ord. 2020 - 60 accepting a Plat of Dedication for Public Roadway Use – Manchester Drive (north half).

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

2. Approval of Ord. 2020 - 61 accepting a Plat of Dedication for Public Roadway Use – Manchester Drive (south half).

Discussed with item #1.

It was moved by Trustee Balmes, seconded by Trustee O'Brien to approve of Ord. 2020 - 61 accepting a Plat of Dedication for Public Roadway Use – Manchester Drive (south half).

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

3. Approval of group dental insurance renewal with Delta Dental – 0% rate adjustment for 12-month period beginning January 1, 2021.

Administrator Muetz said the Village's current dental insurance provider is Delta Dental. Staff has been very happy with the level of service and coverage provided by Delta. The current contract was for a 12-month period which expires December 31, 2020. Delta provided the Village another 1-year renewal at 0% rate adjustment. Staff is recommending the 1-year renewal.

It was moved by Trustee Garner, seconded by Trustee Balmes to approve of group dental insurance renewal with Delta Dental – 0% rate adjustment for 12-month period beginning January 1, 2021.

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

4. Approval of renewals related to the Village's self-insured medical plan:

- Health Insurance Plan's Stop Loss Coverage a period of 12 months with Blue Cross Blue Shield of Illinois at an estimated cost of \$485,619.00 and \$15,141.00 for aggregate coverage; and
- Administrative Services Only contract for a period of 12 months with Blue Cross Blue Shield of Illinois at a rate of \$73.64 per employee per month and adjusted for anticipated annualized prescription rebates of \$198,643.00.

Administrator Muetz stated Human Resources Director Christine Palmieri would summarize the proposed health insurance renewal.

Director Palmieri said the two biggest components of the renewal at the stop loss coverage and the administrative services only contract.

She stated the renewal before the Village Board can be considered *middle of the road* and is based on number of factors including claims and demographics. Blue Cross Blue Shield of Illinois

(BCBSil) is the current administrative services provider. In light of current market trends and following negotiations, BCBSil submitted the Village a favorable renewal quote. BCBSil quoted the Village an estimated cost of \$485,619 for stop loss coverage. This is a 10% increase compared to the current year, but much lower than the initial quote provided.

Director Palmieri continued to state the Administrative Services Only contract includes all of the work to manage and process the claims, health care reimbursement, account processing, etc... The renewal for this service came in at a 1% increase.

Trustee Garner asked if there is an average increase across the industry that we could compare with.

Director Palmieri said self-insured entities like the Village are seeing average increases of 12-15%. She said there are many factors that go into these calculations and you really cannot compare apples to apples across communities. Director Palmieri said based on her experience this is a reasonable increase, adding the Village had a couple large claims.

Trustee Thorstenson asked if there is a municipal forum for sharing this type of information.

Director Palmieri said she is a member of a few groups that discuss these issues. She said there are so many different options that no two communities share the exact same plan. Director Palmieri said when she does compare premiums with other communities the Village runs in the middle, however our plan is better than what you can get in the current market and she uses that as her barometer.

It was moved by Trustee Ross, seconded by Trustee Balmes to approve of renewals related to the Village's self-insured medical plan:

- Health Insurance Plan's Stop Loss Coverage a period of 12 months with Blue Cross Blue Shield of Illinois at an estimated cost of \$485,619.00 and \$15,141.00 for aggregate coverage; and
- Administrative Services Only contract for a period of 12 months with Blue Cross Blue Shield of Illinois at a rate of \$73.64 per employee per month and adjusted for anticipated annualized prescription rebates of \$198,643.00.

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

G. PUBLIC COMMENT

Trustee Balmes said she just wanted to comment on how great our Village staff responds. Recently she had an issue that required working with the Police Department and they responded timely with answers that she was able to forward to her constituent. She said that type of prompt communication makes the Village look good.

Mayor Kovarik said the Village has a great team and it is not said enough.

Closing Comments

None.

Adjournment

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

Voice Vote: ALL AYE: Motion Carried.

Mayor Kovarik adjourned the meeting at 8:43 p.m.

**Andrew Harris,
Village Clerk**