

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

**GURNEE VILLAGE HALL  
NOVEMBER 23, 2020**

**Call to Order**

In Mayor Kovarik's absence, Vice Chair Hood 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; Heather Galan, Village Engineer; Bryan Winter, Village Attorney; Brian Gosnell, Finance Director; John Kavanagh, Fire Chief

**Roll Call**

**PRESENT: 5-O'Brien, Balmes, Hood, Thorstenson, Ross**  
**ABSENT: 1-Garner**

**Pledge of Allegiance**

Vice Chair Hood led the Pledge of Allegiance.

**A. APPROVAL OF  
CONSENT AGENDA**

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

**Roll call,**

**AYE: 5- O'Brien, Balmes, Hood, Thorstenson, Ross**  
**NAY: 0- None**  
**ABSENT: 1- Garner**  
**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 November 9, 2020 Village Board meeting.
2. Approval of bid award for the fuel purchase to the low bidder, Petroleum Traders Corporation, at a supplier discount price of - \$0.0528 cents per gallon for unleaded gasoline and a supplier mark-up price of \$0.0154 cents per gallon for biodiesel fuel.
3. Approval of Payroll for period ending November 6, 2020 in the amount of \$1,023,998.58.
4. Approval of Bills for the period ending November 23, 2020 in the amount of \$1,014,073.26.

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

**Roll call,**

**AYE: 5- O'Brien, Balmes, Hood, Thorstenson, Ross**  
**NAY: 0- None**  
**ABSENT: 1- Garner**  
**Motion Carried.**

**C. PETITIONS AND  
COMMUNICATIONS**

None.

**D. REPORTS**

1. Presentation by Finance Director Brian Gosnell – COVID-19 Financial Update #10.

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

**COVID-19 Financial Impact  
As of October 31, 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
- Tier 3 Mitigation Plan
  - Restaurants – Outdoor Service, Pickup & Delivery
  - Retail 25% Capacity
  - Grocery 50% Capacity
  - Pause Indoor Recreational Activities
- Vaccine Approval

#### 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
  - Capacity Limits
- Great Wolf Lodge
  - Closed Until Mid-December

#### General Fund – Revenues

- Projection -\$10m or -25%
  - Big Four -\$9.5m
  - Other Revenues -\$500k
- Actual Through October
  - -\$4.5m or -19.6%

Gosnell noted the new mitigation measures have changed the projections to have a bigger impact on Big Four revenue sources, but that was offset by other revenue streams, such as income tax and building permits, performing better than expected for the first half of the year.

#### General Fund – Big Four

- Projection -\$9.5m or -38%
  - Sales Tax -25%, -\$4m
  - Amusement Tax -90%, -\$3.2m
  - Hotel Tax -50%, -\$1.3m
  - Food & Beverage Tax -50%, -\$1m
- Actual Through October
  - -\$5.4m or -40.7%

Gosnell presented detailed projections for the following major revenue sources:

#### General Fund – Sales Tax

- Projection -25% for Remaining Months
- Last Month Actual -17.85%

#### General Fund – Amusement Tax

- Projection -90% for Remaining Months
  - GWL & Holiday in The Park Lights Event Positive Impact Unknown
  - Timing of Six Flags Season Pass Sales Unknown
- Last Month Actual -84.62%

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

#### General Fund – Hotel Tax

- Projection -50% for Remaining Months
  - GWL Opening Impact Unknown
- Last Month Actual -26.85%

Gosnell noted with the opening of Great Wolf Lodge the projection was revised to reflect 50% decrease for the remaining months up from the previous projection of 90% decrease for the remaining months.

#### General Fund – F&B Tax

- Projection -50% for Remaining Months
  - Six Flags and GWL Halo Unknown
- Last Month Actual -21.23%

Gosnell noted the impact of the winter weather on outdoor dining and

increased tier 3 mitigation measures by the State will negatively affect Food & Beverage and Sales Tax over the winter.

#### General Fund – Other Revenues

- Projection -\$365k or -5%
- Actual Through October +\$198 thousand or 5.3%

Gosnell noted the positive variance now is due to the one-time security contracts with the Navy and large commercial building permits. He also noted the anticipated 5% drop in income Tax receipts has not materialized through the first half of the year and is down only 0.7%. Included in the \$650 thousand or 10.5% positive variance in other General Fund revenues is the \$1.4 million CARES grant.

#### General Fund – Expenditures

- Projection -\$3-5m or -7-12%
  - Impact on Next Fiscal Year Unknown
- Actual Through October
  - \$2.1m or 10.8% Under Budget

Gosnell noted the Village currently has 12.5 open positions and that is where the majority of the savings comes from. The majority of the Village expenses are personnel related so that is where the savings has to come from.

#### General Fund – Fund Balance

- Projection -\$5-7m
  - Pension Payments \$4.5m Due in December
- Actual Through October
  - The Village Used \$1.3m More in Fund Balance in FY2021 versus FY2020

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. Gosnell noted almost the entire savings through the first six months is due to the \$1.4 million CARES grant.

#### 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 12% - \$580k
    - Delayed Capital
    - IEPA Loan, Additional Principal
- Capital Improvement Fund
  - HMR Sales Tax – 25% or \$1.2m
    - Delayed Capital
    - Vehicles & IT Security

Gosnell noted staff updated projections in the Capital Fund and looked at the highest priority items that could move forward. As of now staff is recommending moving forward with the purchase of the chassis for the Public Works vehicles but delaying the up fitting to next fiscal year and moving forward with enterprise-wide security for information technology systems.

#### General Fund Threats & Opportunities

##### Threats:

- Increased Restrictions
- Extended Lockdown
- School Closures
- Big Three
  - Public Response
  - Halo Impact
- Permanent Closures
- Housing/Foreclosure Moratoriums Ending

- Outmigration
- Consumer Spending

Opportunities:

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

**Questions:**

Trustee Thorstenson asked about the impact of delaying capital items and if conversations with departments have taken place related to priorities.

Gosnell noted conversations with departments have been on-going, but have increased recently due to the preparation of the capital plan and annual budget. Gosnell noted a few items such as HVAC in the police building and concrete repairs at Fire Station #2 that could rise to the level of action if funding can be secured by the end of the fiscal year. He continued to state that the majority of the savings in the Capital Fund is from the transportation system by utilizing Motor Fuel Tax funds for the road program and the timing of payments related to the Stearns School Road over pass project.

Trustee Balmes asked if the open positions will have an impact on services.

Administrator Muetz said that vacant positions have not been filled. In addition, new positions in the budget were never filled. Muetz noted at some point there will be an impact on service levels.

2. Presentation by Fire Chief John Kavanagh – Fire Station #3 Update #3.

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

- Over the past two months great progress has been made and the project remains on schedule.
- Camosy has installed the construction trailer on the site.
- Footings and knee walls have been completed.
- Back fill of the site has occurred.
- Underground plumbing work has been completed.
- Construction of masonry walls has begun.
- The mezzanine floor precast sections are scheduled to be installed this week.

**E. OLD BUSINESS**

None.

**F. NEW BUSINESS**

1. Approval of Ord. 2020 - 65 granting a Special Use Permit pursuant to the Gurnee Zoning Ordinance for 6415 Route 132 (Raising Cane's).

Administrator Muetz said Raising Canes is looking to purchase the former Boston Market site at 6415 Route 132. As proposed, the existing building will be demolished and a new 3,340 sq. ft. Raising Cane's restaurant with double drive-through lanes will be built. They appeared before the Planning & Zoning Board on November 4th requesting Special Use Permits for our items:

1. A drive-through facility without a required bail-out lane - Raising Cane's is proposing a dual lane drive-through, with dual menu-boards, where employees are outside facilitating patrons' orders with iPads and food is picked up at the drive-through window. Per the applicant, the outer drive-through lane will only be used during peak hours and will therefore function as a normal bypass lane when not in use. In the event that somebody needs to leave the drive-through lane while both lanes are in use, one of Raising Cane's staff members working this area will be able to assist a patron's exit.

2. An increase in the allowed height of a dumpster enclosure from 8-feet to approximately 15.7-feet - The additional height is proposed because Raising Cane's experience is that the lower enclosures have more roof damage occurring when the bins are serviced. This is a new prototype and has been approved in other communities. The covered dumpster enclosure will match the main building and is slightly shorter than it (main building is 19'10" tall)
3. A reduction in the transparency on the north elevation to less than the required 50% - The Zoning Ordinance requires that ground floor elevations that parallel a street maintain a minimum transparency of 50%, measured between 2 and 10 feet in height from grade. In order to increase the transparency percentage Raising Cane's has added three windows on the north elevation, which parallels Grand Avenue. However, even with this change the north elevation only achieves approximately 31.5% transparency. The applicant pointed out its kitchen and prep room are along this wall and that exposing these areas with windows would not be attractive. In addition, vehicles stacked in the drive-through lanes would significantly block the view of this façade. Finally, Raising Cane's has stated they will be installing landscaping along Grand Avenue where there currently is none.
4. Exterior Insulation and Finish System (EIFS) below the 4'-0" building line - The Zoning Ordinance prohibits EIFS on the bottom 4 feet of a structure's façade because the material is vulnerable to damage Raising Cane's is proposing Dryvit, a higher-end more durable brand of EIFS, starting at a height of 3'-2" so it is only being used on a 10" section and only on certain portions of the building.

Administrator Muetz stated the Village Board did receive an email this afternoon regarding the proposal from a Mr. Gary Rozwadowski. He stated while Mr. Rozwadowski expressed excitement for the restaurant, he was concerned about drive-thru stacking and its potential to impact the ring road and subsequently Grand Avenue. Administrator Muetz continued to state that Community Development Director Ziegler responded to the email and provided information regarding the stacking capacity, specifically that it far exceeds current requirements and that if stacking is an issue on-site staff can close the east entrance to create more capacity. Finally, Administrator Muetz stated the Village's Traffic Consultant also reviewed the proposal and was comfortable with the stacking capacity of the drive thru lanes.

Administrator Muetz said following discussion and explanation of each SUP request, the Planning & Zoning Board was comfortable with the reasoning and is forwarding a unanimous favorable recommendation.

It was moved by Trustee Balmes, seconded by Trustee O'Brien to approve of Ord. 2020 - 65 granting a Special Use Permit pursuant to the Gurnee Zoning Ordinance for 6415 Route 132 (Raising Cane's).

**Roll call,**

**AYE: 5- O'Brien, Balmes, Hood, Thorstenson, Ross**

**NAY: 0- None**

**ABSENT: 1- Garner**

**Motion Carried.**

2. Approval of Public Works Department request to purchase two Peterbilt 348 chassis from JXPeterbilt of Wadsworth, IL at a cost of \$217,129.58 (Public Works Department Units #271 & #272 – Sourcewell Contract #081-716-PMC).

Administrator Muetz said Unit 264 is a 2005 GMC 10-yard dump truck, while Unit 272 is a 1999 GMC 5-yard dump truck that was purchased used from Warren Township. Operating costs for these units are much higher than the rest of the fleet due to their age and condition. The FY 20/21 Approved Budget includes funding for both the chassis and upfitting. He stated typically these purchases are brought forward in April after budget approval. Due to COVID-19 impacts on finances, staff held the request until this point in time and

the Department is only requesting the chassis. This will allow the Village to receive delivery this fiscal year in anticipation of upfitting the trucks in early-FY 21/22.

Trustee O'Brien asked if these units will be equipped with hooklift systems.

Administrator Muetz stated they will and will mirror other trucks in the fleet as the Village continues to standardize plows.

It was moved by Trustee Ross, seconded by Trustee Balmes to approve of Public Works Department request to purchase two Peterbilt 348 chassis from JXPeterbilt of Wadsworth, IL at a cost of \$217,129.58 (Public Works Department Units #271 & #272 – Sourcewell Contract #081-716-PMC).

**Roll call,**

**AYE: 5- O'Brien, Balmes, Hood, Thorstenson, Ross**

**NAY: 0- None**

**ABSENT: 1- Garner**

**Motion Carried.**

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**G. PUBLIC COMMENT**

None.

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**Adjournment**

It was moved by Trustee Balmes, seconded by Trustee O'Brien to adjourn the meeting.

**Voice Vote: ALL AYE: Motion Carried.**

Vice Chair Hood adjourned the meeting at 7:34 p.m.

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**Andrew Harris,  
Village Clerk**