

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

**GURNEE VILLAGE HALL
MARCH 23, 2020**

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; John Kavanagh, Fire Chief; Brian Smith, Police Chief, Jack Linehan, Assistant to the Administrator

Roll Call

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

Pledge of Allegiance

Mayor Kovarik led the Pledge of Allegiance.

Mayor Kovarik commended staff on the efforts so far related to responding to COVID-19.

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: 6- Balmes, Hood, Thorstenson, Ross, Garner, O'Brien
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 March 2, 2020 Village Board meeting.
2. Approval of Ord. 2020 – 15 approving and publishing the official Zoning Map of the Village of Gurnee.
3. Approval of Ord. 2020 – 16 authorizing the execution of the First Amendment to a Ground Lease Agreement and the First Amendment to Memorandum of Ground Lease between the Village of Gurnee and Vogue Tower I, LLC.
4. Approval of Res. 2020 – 03 approving a contract with MC Squared Energy Services of the provision of electricity for pump stations.
5. Approval of Information Systems Division recommendation to award the 2020 Network Equipment Project #1 to the low bidder, CDWG, at a cost of \$43,358.34.
6. Approval of Public Works Department recommendation to award 2020 and 2021 mowing and landscape maintenance of Class B sites to Sebert Landscape at an annual cost of \$76,392.00.
7. Approval of Payroll for period ending February 28, 2020 in the amount of \$852,825.77.
8. Approval of Payroll for period ending March 13, 2020 in the amount of \$838,622.71 period ending March 2, 2020 in the amount of \$347,745.17.

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

Roll call,

AYE: 6- Balmes, Hood, Thorstenson, Ross, Garner, O'Brien
NAY: 0- None
ABSENT: 0- None
Motion Carried.

C. PETITIONS AND COMMUNICATIONS

1. Approval of Proclamation designating April as “Fair Housing Month” in the Village of Gurnee.

It was moved by Trustee O'Brien, seconded by Trustee Garner to approve of Proclamation designating April as “Fair Housing Month” in the Village of Gurnee.

Voice Vote: ALL AYE: Motion Carried

2. Approval of Proclamation designating April as “Alcohol Awareness Month” in the Village of Gurnee.

It was moved by Trustee Garner, seconded by Trustee Thorstenson to approve of Proclamation designating April as “Alcohol Awareness Month” in the Village of Gurnee.

Voice Vote: ALL AYE: Motion Carried

3. Reminder: FY 2020/2021 Budget Hearing – 6:40pm, April 6, 2020.

D. REPORTS

1. Presentation by Finance Director Brian Gosnell – Fiscal Year 19/20 Third Quarter financial performance and financial Impact and response to current economic conditions.

Finance Director Gosnell reviewed the 3rd Quarter Financial Report for the period ending January 31, 2020. He noted the following:

- Cash & Investments
 - Total \$31,575,412
 - General Fund 71%
 - W&S 16%
 - 29% Checking/Money Market – First Midwest/Gurnee Bank
 - 37% in Money Markets - IL Funds/Gurnee Bank
 - 34% Short-Term Fixed Income – Schwab
 - Yield vs. Benchmark
 - Village Portfolio – 1.757%
 - 91 Day T-Bill – 1.550%
- Major Revenues in total are ahead of budget by about 2.4%
 - Sales Tax and Home Rule Sales Tax finished the quarter behind budget and last year by about 2.5% and that was expected to carry through the end of the year. December sales were down roughly 1%.
 - Amusement tax collections were strong, up about 8.6% through the 3rd quarter.
 - Building permits are behind budget and that is anticipated to carry through the end of the year.
- General Fund revenues finished the quarter at 75.98%, with the majority of the variances due to timing. Gosnell noted police fines were down due to changes in prosecutions, and investment income was up but partially offset by banking fees. Gosnell also noted the variance in Other Sources category was due to budget amendment for paying off the Series 2011 bonds early.
- General Fund expenses finished the quarter at 78.07% of budget, with the majority of the variances due to timing of insurance payments. Gosnell noted the overtime variance in police and fire is expected to carry through the end of the year.
- Water & Sewer Operating Fund revenues finished the quarter at 84.11% of budget, due to the timing of billings. Gosnell noted water usage was down 4% compared to last year.
- Water & Sewer Fund Expenditures finished the quarter at 65.57% of budget largely due to timing of insurance payments and the meter replacement program.

Trustee Bales asked about how Six Flags was trending and Gosnell noted revenues were up around 6-7% for the year.

Gosnell reviewed the current economic environment and potential impact

to the Village as well as operating adjustments that could be made to respond to drops in revenues due to the COVID-19 crisis, noting the following:

- Current Environment
 - Federal, State & Local Response
 - 15 Day “Quarantine” Guidance
 - Stay-At-Home Order
 - Restaurants Closed (Dine-In)
 - Income Tax Deadline Extension
 - Sales Tax Deadline Extension
 - Great Wolf Closed
 - Six Flags Delayed
 - Gurnee Mills Closed
 - Schools Closed
 - Impact to Major Revenues
 - Sales Tax
 - Home Rule Sales Tax
 - Amusement Tax
 - Hotel Tax
 - Food & Beverage Tax

Gosnell then presented various scenarios and the potential impact to these revenue sources and reviewed the timing of the impact. He noted the duration of the crisis is still unknown and stated the rebate agreements are setup to protect the Village’s base revenue first, so drops in revenue will reduce any rebate first before impacting the Village’s base revenue.

Gosnell next reviewed the Fiscal Contingency Plan and the Village response to the crisis. Gosnell noted the following:

- Fiscal Contingency Plan
 - Trigger Events
 - Adverse fiscal circumstances as determined by the Village Administrator, such as:
 - Natural disasters
 - Adverse State action
 - Economic downturns
 - Large unexpected costs
 - Two consecutive quarters of decline in total General Fund Major Revenues (seasonally adjusted) versus the prior year actuals and current fiscal year budget. Major General Fund revenues include:
 - Sales Tax/Home Rule Sales Tax
 - Income Tax
 - Amusement Tax
 - Food & Beverage Tax
 - Hotel Tax
 - Telecommunications Tax
 - Local Use Tax
 - General Building Permits

Director Gosnell noted the COVID-19 Crisis qualifies as a trigger event and additional reporting to the Board would begin in April. He reviewed the classification of potential expenditure reductions and how they are categorized in tiers based on the amount of time to realize the benefit and impact to operations.

He then reviewed various categories of responses including the following:

- Tier 1 Responses, little operation impact:
 - General Fund – \$1,180,000
 - Eliminate Capital Transfer & Utilize MFT for Road Program - \$675k
 - Reduce ED Reserve - \$250k
 - Reduce Training & Schools - \$60k
 - Reduce Meetings & Conventions - \$15k
 - Water & Sewer Operating Fund - \$1,735,000
 - Defer Capital Items - \$545k
 - Remaining Knowles to IEPA Loan - \$630k

- Delay Remote Read Project - \$300k
 - Reduce IEPA Loan Additional Principal - \$250k
 - Training & Schools - \$8k
 - Meetings & Conventions - \$2k
 - Capital Fund - \$1,347,000
 - Utilize MFT - \$800k
 - Tier 1 Transportation Capital - \$150k
 - Tier 1 Stormwater Capital - \$150k
 - Tier 1 Buildings Capital - \$122k
 - Tier 1 Technology Capital - \$125k
- Tier 2 Responses, some operational impact
 - General Fund - \$1,375,000
 - Reduce Contractual Services - \$300k
 - Open Position Freeze - \$250k
 - Seasonal/Intern Reductions - \$125k
 - Benefit Reductions/Pay Freeze - \$700k
 - Water & Sewer Operating Fund - \$160,000
 - Delay Vehicle & Equipment - \$150k
 - Minor Capital Items - \$10k
 - Capital Fund - \$1,032,000
 - Tier 2 Buildings Capital - \$380k
 - Delay Vehicle & Equipment - \$287k
 - Tier 2 Transportation Capital - \$135k
 - Tier 2 Technology Capital - \$125k
 - Tier 2 Stormwater Capital - \$105k
- Tier 3 Responses, major operational impact
 - General Fund - \$750,000
 - Contractual Employees - \$375k
 - Eliminate Contractual Services - \$300k
 - Eliminate Training - \$60k
 - Eliminate Meetings & Conventions - \$15k
 - Furloughs & Layoffs - TBD
 - Water & Sewer Operating Fund – Amount TBD
 - Furloughs & Layoffs - TBD
 - Delay ALL Capital Projects
 - Capital Fund – Amount TBD
 - Delay ALL Capital Projects

Mayor Kovarik, noted Tier 1 & 2 items will cover roughly a 20% drop in revenues before we get into Tier 3 items.

Trustee Hood expressed his appreciation for planning in good times for bad times and not making panicked decisions when a downturn happens.

Director Gosnell reviewed other items that could be considered to reduce expenditures including the following:

- Fire Station #3 Construction
- Fire Station #3 Funding

He then noted there may be Federal Assistance packages for capital projects that the Village could take advantage of for Fire Station #3.

Director Gosnell discussed the Knowles Road Water Tower and noted the Village initially committed to paying the final \$1.5 million of the construction costs of the tower and has spent \$860 thousand to date. Gosnell recommended the remaining expenses be paid from the IEPA loan to preserve funds in the Water & Sewer Fund.

- Fund Balance
 - 4/30 - \$26.5m
 - 35% Policy - \$15.1m

Director Gosnell noted the current fund balance in the General Fund is \$15.1 million over the policy of 35% of budgeted expenditures.

Director Gosnell reviewed the communication flow of staff recommendations and budget amendments to expenditure cuts noting updates will be included in a memo to the Village Board and will include proposed adjustments. Staff will then bring a budget amendment

forward at the next meeting that includes those adjustments.

Mayor Kovarik noted the Village is in a strong position to absorb the impact due to planning and reserves.

Trustee Balmes asked if the terms of the IEPA loan may change based on the crisis.

Director Gosnell noted those funds and terms were locked in when the application was approved.

Administrator Muetz noted there may be an impact to the grant funding for the intersection improvements at Manchester and Route 21.

Trustee Balmes asked about union contracts if personnel cuts needed to be made.

Administrator Muetz stated the staff would work with the unions if it came to that point as soon as possible.

Trustee Ross asked about assistance from the Federal Government.

Mayor Kovarik noted any assistance would be in the form of loans and is included in the 3rd stimulus bill that has yet to pass. She is working with elected officials at the State and Federal level to make sure assistance is included.

Muetz noted the Illinois Municipal League is an advocate for local governments and is highly involved with the State.

Mayor Kovarik also noted the work of the Metropolitan Mayors Caucus and Mayor Lightfoot of Chicago, as well as a number of weekly conference calls the Village participates in.

Following the financial discussion Administrator Muetz, Chief Kavanagh and Chief Smith gave the Board an update on operational modifications that have been in response to COVID-19. Administrator Muetz discussed Administration and Community Development operations, while Chief Kavanagh covered the Fire Department and Chief Smith discussed Police and Dispatch operations.

E. OLD BUSINESS

None.

F. NEW BUSINESS

1. Approval of Ord. 2020 – 17 authorizing the execution of a Water Service Agreement between the Village of Gurnee and Christian Khayat, owner of El Rancho Motel and Fat Man Inn at 36355 and 36309 North Highway 41.

Administrator Muetz said Christian Khayat is the owner of the Fatman's Bar and Grill and the El Rancho Motel near the intersection of IL Rte. 21 and US Rte. 41. The property is in unincorporated Lake County. He is proposing to remodel and expand Fatman's which will require the installation of fire suppression sprinklers in the building. In lieu of installing water storage tanks and fire pumps, he would prefer to connect to the Village's potable water system in a similar manner that he did in 2009 with the sanitary sewer. Due to the number of non-conformities with the Village's codes and ordinances, the Village is not interested in annexing either property at this time, but felt that the public interest would be served by allowing the connection to the water system providing more reliable fire suppression systems. Mr. Khayat is agreeable to extending the water main from near the Point Restaurant across his property frontage and paying 150% of the water rates per the Village Municipal Code. In addition to approval from the Village, the request will also need to be approved by our water provider CLC-JAWA. Muetz concluded by stating the Village has a handful of water accounts that are outside our corporate limits but part of our public water system.

Trustee Balmes asked what would happen if we annexed them.

Community Development Director Ziegler said they would still have to pay for the extension of the water main but wouldn't pay the upcharge on the water rate.

Trustee Garner asked for clarification on the Village's interest in the project.

Administrator Muetz explained being able to assist with a reliable water source for the fire suppression system is a benefit to the public.

It was moved by Trustee Balmes, seconded by Trustee Thorstenson to approve of Ord. 2020 – 17 authorizing the execution of a Water Service Agreement between the Village of Gurnee and Christian Khayat, owner of El Rancho Motel and Fat Man Inn at 36355 and 36309 North Highway 41.

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

2. Approval of Ord. 2020 – 18 authorizing execution of a Professional Services Agreement with IMEG for Engineering Services for the 2020 Street Maintenance Program.

Administrator Muetz said the Village has used outside engineering consultants to assist with roadway rehabilitation oversight. The IMEG staff proposed in the engineering services agreement proposal has local experience and has assisted Village staff with previous projects of this scope. Staff estimates that the 2020 program will have a 20-week duration (May through October) at a total cost of approximately \$124,800 dedicated for the contract employee. Appropriate funding has been included in the FY 20/21 Proposed Budget. Muetz concluded by stating the Village only pays for the services it uses. Therefore, if the road program is reduced and IMEG is not utilized as much as expected, the cost of this contract will decrease.

It was moved by Trustee Thorstenson, seconded by Trustee Ross to approve of Ord. 2020 – 18 authorizing execution of a Professional Services Agreement with IMEG for Engineering Services for the 2020 Street Maintenance Program.

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

3. Approval of Ord. 2020 – 19 authorizing execution of an Intergovernmental Agreement between Lake County Stormwater Management Commission (SMC) and the Village of Gurnee for the 2018 IDNR-OWR Flood Mitigation Program.

Administrator Muetz said the Village and Lake County SMC were awarded another round of grants for acquisition and demolition of homes in the special flood area. The grant is for two more homes on Kilbourne and one home on McClure east of O'Plaine. Per this agreement, the Village is responsible for 5% of the total costs of acquisition, removal and restoration at a cost not exceed \$27,148. In the past we have been responsible for 25%. He concluded by stating there is a few years of lag between when these agreements are approved and when the homes are actually removed.

It was moved by Trustee Thorstenson, seconded by Trustee Ross to approve of Ord. 2020 – 19 authorizing execution of an Intergovernmental Agreement between Lake County Stormwater Management Commission (SMC) and the Village of Gurnee for the 2018 IDNR-OWR Flood Mitigation Program.

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

4. Approval of Ord. 2020 – 20 granting a zoning text amendment pursuant to Article 8.2.32 "Vehicle Repair/Service – Minor and Major" of the Gurnee Zoning Ordinance.

Administrator Muetz stated Community Development Director Ziegler would summarize the next four items on the agenda.

Community Development Director Ziegler said currently, the Zoning Ordinance requires vehicle repair/service establishments to provide screening along interior side and rear lot lines with a solid wall or fence, a minimum of five feet. This is unnecessary in specific situations when the vehicle repair/service establishment abuts an industrial or commercial use or district. This amendment will ensure that vehicle repair/service establishments are properly screened when adjacent to less-intense uses/districts such as residential or office uses/districts, but will no longer require unnecessary screening when the vehicle repair/service establishment abuts an industrial or commercial district. It was before the Planning & Zoning Board on February 5th and received a unanimous favorable recommendation.

It was moved by Trustee Thorstenson, seconded by Trustee O'Brien to approve of Ord. 2020 – 20 granting a zoning text amendment pursuant to Article 8.2.32 "Vehicle Repair/Service – Minor and Major" of the Gurnee Zoning Ordinance.

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

5. Approval of Ord. 2020 – 21 granting a zoning text amendment pursuant to Article 10.2.12 "Home Occupation" of the Gurnee Zoning Ordinance regarding massage and landscape business uses.

Community Development Director Ziegler said the Village recently received an inquiry as to whether massage service is allowed as a home occupation. Staff is proposing an amendment to prohibit massage services as a home occupation in order to be more consistent with the Village's current regulations for massage services in non-residential areas. It was before the Planning & Zoning Board on February 5th and received a 5-1 favorable recommendation.

Community Development Director Ziegler said as it relates to landscape business uses this amendment provides further clarification and lists it as a prohibited use in residential districts. It was before the Planning & Zoning Board on February 5th and received a unanimous favorable recommendation.

Trustee Ross asked if commercial vehicles can be parked in a garage and if that would be acceptable.

Director Ziegler responded that all equipment and material must be stored in-doors. If it is, it would be allowed.

It was moved by Trustee Balmes, seconded by Trustee Garner to approve of Ord. 2020 – 21 granting a zoning text amendment pursuant to Article 10.2.12 "Home Occupation" of the Gurnee Zoning Ordinance regarding massage and landscape business uses.

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

6. Approval of Ord. 2020 – 22 granting a zoning text amendment pursuant to Article 10.2.12 "Home Occupation" of the Gurnee Zoning Ordinance regarding astrology, card and palm reading or fortune-telling uses.

Assistant Village Administrator Ziegler said staff is proposing to prohibit this type of use as a home occupation since the Village's experience

is that it relies heavily on advertising to drive-by traffic (i.e. location on major roads/intersections, use of illuminated signage and signage on vehicles, etc.). It was before the Planning & Zoning Board on February 5th and received a 3-3 vote. The PZB members in favor of the amendment agreed that the business model for this type of use relies on high traffic areas and signage which is inherently incompatible with home occupations. The PZB members who voted against the amendment believe that there are existing ordinances that prohibit the types of signage that results in the incompatibility with residential areas and therefore, believed the issue should be addressed with code enforcement.

Trustee Balmes asked if neon signs in windows would be prohibited.

Director Ziegler stated yes and explained the signage standards.

Trustee Balmes asked if this will eliminate vans parked with signs on them.

Director Ziegler said the Zoning Administrator makes that determination.

Trustee Thorstenson asked about the business currently located on Grand Avenue.

Director Ziegler stated that home is in unincorporated Lake County.

It was moved by Trustee Balmes, seconded by Trustee O'Brien to approve of Ord. 2020 – 22 granting a zoning text amendment pursuant to Article 10.2.12 "Home Occupation" of the Gurnee Zoning Ordinance regarding astrology, card and palm reading or fortune-telling uses.

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

7. Approval of Ord. 2020 – 23 granting a zoning text amendment pursuant to Article 13.15.1 "Signs Requiring Special Use Approval" of the Gurnee Zoning Ordinance.

Community Development Director Ziegler stated there is an inconsistency in signage regulations related to neon/LED lighting in the C/3 District. The proposed amendment will eliminate this inconsistency and require it to be a Special Use Permit. It was before the Planning & Zoning Board on February 5th and received a unanimous favorable recommendation.

It was moved by Trustee Ross, seconded by Trustee Garner to approve of Ord. 2020 – 23 granting a zoning text amendment pursuant to Article 13.15.1 "Signs Requiring Special Use Approval" of the Gurnee Zoning Ordinance.

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

G. PUBLIC COMMENT

None.

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 8:21 p.m.

**Andrew Harris,
Village Clerk**

