

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

**GURNEE VILLAGE HALL
NOVEMBER 15, 2021**

Call to Order

Mayor Hood called the meeting to order at 7:01 p.m.

Other Officials in Attendance

Patrick Muetz, Village Administrator; Jack Linehan, Assistant Village Administrator; Bryan Winter, Village Attorney; David Ziegler, Community Development Director; Heather Galan, Public Works Director/Village Engineer; Brian Gosnell, Finance Director; Christine Palmieri, Director of Human Resources; John Kavanagh, Fire Chief; Brian Smith, Police Chief; Ellen Dean, Economic Development Director

Roll Call

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

Pledge of Allegiance

Mayor Hood led the Pledge of Allegiance.

A. APPROVAL OF CONSENT AGENDA

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

Roll call,

AYE: 6- Garner, O'Brien, Balmes, Thorstenson, Woodside, Ross
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 November 1, 2021 meeting.
2. Approval of bid award for the fuel purchase to the low bidder, Al Warren Oil Company, at a supplier discount price of -\$0.0450 cents per gallon for unleaded gasoline and a supplier mark-up price of \$0.0200 cents per gallon for biodiesel fuel.
3. Approval of Payroll for period ending November 5, 2021 in the amount of \$1,099,168.24.
4. Approval of Bills for the period ending November 15, 2021 in the amount of \$2,124,413.74.

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

C. PETITIONS AND COMMUNICATIONS

1. Presentation of a Proclamation by State Senator Adriane Johnson recognizing Retired K9 Officer Mazur and K9 Hunter and their service to the community.

Representatives from Senator Johnson's office read both a Proclamation and "Barklamation" thanking and congratulating Officer Mazur and K9 Hunter.

2. Approval of a Proclamation designating December 2021 as National Impaired Driving Prevention Month in the Village of Gurnee.

Mayor Hood read into record.

It was moved by Trustee Balmes, seconded by Trustee Ross to approve of a Proclamation designating December 2021 as National Impaired Driving Prevention Month in the Village of Gurnee.

Voice Vote: ALL AYE: Motion Carried.

D. REPORTS

1. Presentations by Finance Director Brian Gosnell:

a. Fiscal Year 2021/2022 Second Quarter financial performance.

- Cash & Investments Summary - Gosnell noted the following:
 - Total \$43.8 million (Excludes Pension Funds)
 - 33% Checking
 - 46% Money Market
 - 21% Investments
 - 62% General Fund
 - 13% Water & Sewer Funds
 - 14% Capital Improvement Fund
 - Includes \$2m WWFPD Contribution
- 110-General Fund Summary – Gosnell noted the following:
 - Total Revenues \$26.6 million
 - Total Expenditures \$20.3 million
 - Surplus/(Deficit) \$6.3 million
 - Notable Variances
 - License Timing – Business & Liquor licenses occur in the 3rd quarter.
 - Investment Income – down due to suppressed interest rates and expected to miss the budget estimate.
 - Insurance Timing – Property, Liability & Workers Compensation insurance premiums are paid in May.
 - Snow & Ice Control – Salt purchases are seasonal and will affect the 3rd and 4th quarters.
 - Rebate Agreements – rebate agreements will occur on the 3rd and 4th quarters once the base amounts are met.
- Major Revenues – Director Gosnell noted the following:
 - 65% of General Fund Revenues
 - Annual Budget \$27.5 million
 - Year-To-Date \$17.6 million
 - 64% of Total Budget
 - +71% vs Last Year
 - +13% vs. FY2020 (Normal Year)
 - +22% vs. Adjusted Budget
- Sales Tax
 - Annual Budget \$16.5 million
 - Year-To-Date \$9.9 million
 - 60% of Total Budget
 - +50% vs Last Year
 - +17% vs. FY2020 (Normal Year)
 - +22% vs. Adjusted Budget
- Amusement Tax
 - Annual Budget \$2.9 million
 - Year-To-Date \$2.5 million
 - 86% of Total Budget
 - +545% vs Last Year
 - +0.7% vs. FY2020 (Normal Year)
 - +9% in Q1
 - +28% vs. Adjusted Budget
 - Gosnell noted the variance has gone down after the start of the school season.
- Food & Beverage Tax
 - Annual Budget \$1.8 million
 - Year-To-Date \$1.3 million
 - 70% of Total Budget
 - +105% vs Last Year
 - +11% vs. FY2020 (Normal Year)
 - +23% vs. Adjusted Budget
- Hotel Tax
 - Annual Budget \$1.5 million
 - Year-To-Date \$1.1 million
 - 72% of Total Budget

- +345% vs Last Year
 - -5% vs. FY2020 (Normal Year)
 - 14% in Q1
 - +21% vs. Adjusted Budget
 - Director Gosnell noted Great Wolf Lodge was ahead of prior years but the other hotels were lagging.
- 221 & 223 Water & Sewer Fund
 - Total Revenues \$5.4 million
 - Total Expenditures \$4.6 million
 - Surplus/(Deficit) \$816 thousand
 - Notable Variances
 - Charges Seasonality – Gosnell noted the seasonality in water usage and timing of charges.
 - Investment Income – down due to suppressed interest rates and expected to miss the budget estimate.
 - Insurance Timing – Property, Liability & Workers Compensation insurance premiums are paid in May.
 - CLCJAWA Purchases lag charges for service by two months.
 - IEPA Loan Timing – Gosnell noted the semi-annual payment and the additional \$250 thousand principal payment.
- Water Usage
 - 2 Month Delay from JAWA to Bill
 - Leading Indicator of Revenues
 - Usage
 - +31.5% vs. FY2021
 - +20.8% vs. FY2020
 - Precipitation
 - October 7.5 in.
 - YTD Down 20% from FY21
 - YTD Down 54% from FY20
- b. Police and Fire Pension actuarial valuations, recommended Village contribution for next year and potential changes to the Village Pension Funding Policy.
- Police Pension
 - Director Gosnell noted the actuarial valuation was completed by Lauterbach & Amen and the GASB schedules by Foster & Foster. The valuation is as of April 30, 2021 and is used to determine the Annual Required Contribution (ARC) for FY 2022/2023.
 - Total Fund Value: \$77,450,718
 - +19,491,316 or 33.6%
 - Return on Investments 33.14% vs. Actuarial Assumption 7.0%
 - Funded Ratio 83.19% (+10.27%)
 - Statewide Average 55.82%
 - Village Contribution (ARC) \$2,024,393
 - -\$529,726 or 20.7%

Gosnell noted the extraordinary investment returns caused the Village ARC to drop substantially and it provides an opportunity to overfund and look at lowering the assumed rate of return.
 - Fire Pension Fund
 - Total Fund Value: \$54,065,953
 - +12,182,273 or 29.1%
 - Return on Investments 27.31% vs. Actuarial Assumption 7.0%
 - Funded Ratio 79.32% (+5.39%)
 - Statewide Average 55.74%
 - Village Contribution (ARC) \$1,951,275
 - -\$159,407 or 7.6%
 - Gosnell presented information on the 10-year history of the ARC
 - Police Average Change +9.9%
 - Fire Average Change +8.6%

- Multi-Year Forecast Assumes 7.00% Annual Increase
 - FY15 – Decrease from 7.50% to 7.25% Assumed Rate of Return
 - FY16 – Decrease from 7.25% to 7.00% Assumed Rate of Return
- Funding Analysis: Director Gosnell presented information on options to forego the decrease in the ARC and budget to fund each at a 3% increase over last year.
 - Gosnell noted this would increase the ARC by \$139,945 (\$76,624 for Police, \$63,321 for Fire) and over fund the pensions by a total of \$829,078 (\$606,350 for Police, \$222,728 for Fire).

Gosnell also presented information on the impact of lowering the Villages assumed rate of return from 7.00% to 6.75%. He noted that 6.75% is likely to be the assumed rate of return for the consolidated funds and Gurnee lowering its assumption will align the Village with no immediate budget impact. Gosnell said the decreased ARC is due to investment earnings and the risk is that each fund could lose market value thus increasing the ARC in future years.

Director Gosnell concluded by stating staff will move forward and include a 3% increase over last year's ARC in the proposed FY 2022/2023 budget, and bring forward the amended Pension Funding Policy lowering the assumed rate of return to 6.75% during the budget process.

E. OLD BUSINESS

Mayor Hood said that there were no discussion topics on the agenda for the November 22nd 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 November 22, 2021.

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

F. NEW BUSINESS

1. Approval of Ord. 2021 - 74 authorizing execution of a professional service agreement between the Village of Gurnee and the Rapp Consulting Group.

Assistant Administrator Linehan stated the Village's FY2017/2021 strategic plan was developed in early 2016. Many of the goals set in the plan have been accomplished and it is therefore time to conduct an update. He stated to locate a consultant to assist in the process the Village issued a Request for Qualifications on August 1st and received seven responses. A subcommittee that included Mayor Hood, Administrator Muetz, Assistant Administrator Linehan and Management Analyst Luka reviewed the responses. Three firms were selected for interviews. Following the interviews and a review of the consultant's work, the interview team is recommending that the Village enter in to an agreement with the Rapp Consulting Group. Mr. Linehan then provided a summary of Mr. Rapp's qualifications and introduced him to say a few words.

Mr. Rapp introduced himself and provided an overview of what the Village Board can expect during the Strategic Plan process. He stated the differentiator with Rapp Consulting is its ability to get the Board to focus on what is important and how to measure progress. The process will start with information gathering, including Village Board interviews and stakeholder focus groups. He stated the Village has limited resources and therefore the focus will be on the highest strategic priorities. Mr. Rapp continued to discuss the importance of implementation and communicating the plan. He concluded by stating at the end of the process the Board and Village management will be able to articulate clearly to the community where it is headed, how it will get there and when it will happen.

It was moved by Trustee Balmes, seconded by Trustee Garner to approve of Ord. 2021 - 74 authorizing execution of a professional service agreement between the Village of Gurnee and the Rapp Consulting Group.

Roll call,

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

2. Approval of Ord. 2021 - 75 annexing and rezoning property located at 35373 N. Juniper Street.

Administrator Muetz said staff continues to work to gain control of some of the properties that are located in the County, but completely surrounded by the Village. The focus has been the area near Six Flags south of Grand Avenue. The next property to be annexed is 35373 N. Juniper Street. Similar to the other the other properties, it will be annexed as R-2 and meets the requirements of this zoning district. It was before the Planning & Zoning Board on October 20th and received a unanimous favorable recommendation.

It was moved by Trustee O'Brien, seconded by Trustee Garner to approve of Ord. 2021 - 75 annexing and rezoning property located at 35373 N. Juniper Street.

Roll call,

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

3. Approval of the 2022 Village Board meeting schedule.

Administrator Muetz said the 2022 Village Board meeting schedule strives to maintain regular business meetings on the 1st and 3rd Mondays and Committee of the Whole Meetings on the 4th Mondays while taking into account major holidays, observances and early voting/voting. A few notes regarding the proposed schedule:

- January: The MLK Day holiday falls on Monday, January 17th. Staff recommends moving the regular business meetings to the 2nd and 4th Monday of the month.
- July: The 4th of July holiday falls on Monday, July 4th. Staff recommends moving the regular business meetings to the 2nd and 4th Monday of the month.
- August: In order to avoid back-to-back regular business meetings at the end of July and beginning of August, staff recommends moving the regular business meetings to the 2nd and 4th Mondays of the month.
- September: Labor Day falls on the first Monday in September. Staff recommends moving the regular business meetings to the 2nd and 4th Mondays of the month.
- October: In order to avoid back-to-back regular business meetings at the end of September and beginning of October, staff recommends moving the regular business meetings to the 2nd and 4th Mondays of the month.
- November: Village Hall serves as an Early Voting and Election Day site. As such, early voting will be taking place on November 7th until 7pm. As the November 8th election could garner much interest, staff is recommending moving the regular business meetings to the 2nd and 4th Mondays of the month.

It was moved by Trustee Balmes, seconded by Trustee Thorstenson to approve of the 2022 Village Board meeting schedule.

Roll call,

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

G. PUBLIC COMMENT

Ken Arnold
2034 Liberty Lane
Gurnee, IL

Mr. Arnold provided the Village Board a handout and expressed concern over two issues:

The first concern was a Village of Gurnee ordinance that prohibits placing vehicles for sale on property owned by someone other than the vehicle owner. Mr. Arnold stated he believes this ordinance is unconstitutional and should be stricken.

The second was the reconstruction of the Stearns School Road Bridge over the Tollway. Mr. Arnold stated the sidewalk on the south side of the roadway does not have a protective barrier for pedestrians. He stated this is concerning to him and, while he understands this is a Tollway project, he believes it is an issue that should be addressed.

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 Hood adjourned the meeting at 7:38 p.m.

Andrew Harris,
Village Clerk