

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

**GURNEE VILLAGE HALL  
JULY 11, 2022**

**Call to Order**

Mayor Hood called the meeting to order at 7:00 p.m.

**Other Officials in Attendance**

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; Ellen Dean, Economic Development Director; Nick Leach, Village Engineer; Jodi Luka, Management Analyst; John Kavanagh, Fire Chief; David Douglass, Battalion Chief; Jeremy Gaughan, Police Commander; Jesse Gonzalez, Deputy Police Chief; Ryan Nelson, Assistant Information Systems Director

**Roll Call**

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

**Pledge of Allegiance**

Mayor Hood led the Pledge of Allegiance.

**A. APPROVAL OF CONSENT AGENDA**

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

**Roll call,**

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

**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 June 20, 2022 meeting.
2. Approval of Ord. 2022 – 41 amending the Village of Gurnee Personnel Policy Manual.
3. Approval of Engineering Division recommendation to award the 2022 Juniper Street Water Main and Sanitary Sewer Improvement Project to the low bidder, Joel Kennedy Constructing, Corporation, at a cost of \$1,022,876.00.
4. Approval of purchasing one-year of Cisco SMARTnet maintenance services from the incumbent vendor CDWG in the amount of \$52,272.97.
5. Approval of request to dispose of certain Administration documents as authorized by the State of Illinois Local Records Commission.
6. Approval of issuing a Raffle License and waiving the fee and bond requirement for the Gurnee Exchange Club for its Gurnee Days event.
7. Approval of Payroll for period ending June 17, 2022 in the amount of \$985,222.19.
8. Approval of Payroll for period ending July 1, 2022 in the amount of \$942,778.29.
9. Approval of Bills for the period ending July 11, 2022 in the amount of \$2,354,133.96.

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

**Roll call,**

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

**NAY: 0- None**

**ABSENT: 0- None**

**Motion Carried.**

**C. PETITIONS AND COMMUNICATIONS**

None.

**D. REPORTS**

1. Presentation by Finance Director Brian Gosnell – Fiscal Year 2021/2022 Fourth Quarter financial performance.

Finance Director Brian Gosnell presented information regarding the 4<sup>th</sup> quarter financial status of Fiscal year 2021/2022 including the following:

- Cash & Investments
  - Total \$47.1 million (Excludes Pension Funds & NLCC-ETSB)
    - 27% Checking
    - 44% Money Market
    - 29% Investments
  - 57% General Fund
  - 24% Capital Improvement Fund
    - \$2m WWFPD Contribution
    - \$3.5m Fire Station #3 Payoff
  - 12% Water & Sewer Funds
- 110 – General Fund Summary
  - Total Revenues \$49.5 million
  - Total Expenditures \$44.2 million
  - Surplus/(Deficit) \$5.2 million
    - After FS#3 Payoff - \$3.5m
  - Notable Negative Variances
    - Court Fines/Red Light
    - Investment Income
    - Work Comp Reimbursements
    - Inter-fund Transfers
  - 65.9% of FY23 Budgeted Expenditures
- Major Revenues
  - 65% of General Fund Revenues
  - Annual Budget \$27.5 million
  - Year-To-Date \$33.8 million
    - 122.6% of Total Budget
    - +49.8% vs FY2021
    - +15.2% vs. FY2020
- Sales Tax
  - Annual Budget \$16.5 million
  - Year-To-Date \$20.1 million
    - 121.5% of Total Budget
    - +36.1% vs FY2021
    - +16.8% vs. FY2020
    - Internet Sales Tax – Gosnell noted based on the information since the enactment of the internet sales tax law, staff has estimated the new law accounts for approximately 15% increase in sales tax.
- Amusement Tax
  - Annual Budget \$2.9 million
  - Year-To-Date \$3.6 million
    - 123.0% of Total Budget
    - +384.2% vs FY2021
    - -3.5% vs. FY2020

- Food & Beverage Tax
  - Annual Budget \$1.8 million
  - Year-To-Date \$2.3 million
    - 129.6% of Total Budget
    - +67.2% vs FY2021
    - +16.9% vs. FY2020
  
- Hotel Tax
  - Annual Budget \$1.5 million
  - Year-To-Date \$2.1 million
    - 140.0% of Total Budget
    - +221.9% vs FY2021
    - -9.7% vs. FY2020
  
- 221&223 – Water & Sewer Funds
  - Total Revenues \$9.8 million
  - Total Expenditures \$9.1 million
  - Surplus/(Deficit) \$718 thousand
    - Budget: (\$1.2 Million) – Gosnell noted the funds were budgeted to use \$1.2 million in Fund balance and finished with a positive \$718 thousand due to delays in capital projects and supply chain issues pushing the timing of some expenses into FY 2022/2023.
  - Notable Negative Variances
    - 36-Investment Income
    - 44-CLCJAWA Purchases
    - 45-Bank Charges
  - Cash Balance \$5.9 Million
    - 55.7% of FY23 Budgeted Expenditures
  
- Water Usage
  - 2 Month Lag
  - Leading Indicator of Revenues
  - Usage
    - +21.4% vs. FY2021
    - +19.0% vs. FY2020
  - Precipitation
    - +6.8% vs. FY2021
    - -46.4% vs. FY2020
  
- General Fund Balance
  - FY 2021/2022 Projected Ending Fund Balance
    - \$30.5 Million
    - 65.9% of FY 2022/2023 Budgeted Expenditures
  - Previous High \$26.5 Million FY 2018/2019
  - Policy: 35% of Budgeted Expenditures or \$16.2 Million

Gosnell reviewed a scenario in which the Village utilizes excess General Fund balance to make a loan from the General Fund to the Water & Sewer Fund to payoff the IEPA Loan and make the Village debt-free. Gosnell reviewed what a potential loan would look like including the following:

- Interfund Loan to 221 to Payoff IEPA Loan
  - \$4.2m, 0%, 10 Years
    - Saves \$720k Interest over 17 years
  - \$420k Annual Debt Service
    - FY23 Budget \$564k (\$314k + \$250k)
    - Δ \$144k Annually
- Last Remaining Debt Village-Wide
- Timing/Current Economic Conditions

Gosnell noted given recent economic headlines the Village should be cautious and re-consider the use of excess reserves later in the year during the financial forecast and capital plan discussions.

Gosnell Presented information on a proposed discount on water for seniors. Gosnell noted staff researched programs in eight communities

and presented the following information:

- 8 Communities
- \$133 Avg. Annual Discount
- 1 Community – Income Limit (Wood Dale)
- 5 Communities – Capped Percent Discount
- 3 Communities – Capped Flat Amount
- 3 Communities – Owner, 5 – Owner/Renter
- 8 Communities – Application Process
  - ID Verification, Forms, Trip to Village Hall
  - Administrative Overhead

Gosnell noted the biggest issue with setting up a program was the administrative time to manage it with existing staff. Gosnell presented information on a proposed program that would be based on information from Lake County thus eliminating the need for residents to complete forms and staff to manage overhead and validation. Gosnell presented the following information:

- Receive Senior Homestead Exemption (No Income Limit)
  - 65 Years of Age or Older
  - Own and Live in the Property as Principal Residence
- Single Metered Dwelling
- No Application Process
- 1,747 or 18% Eligible Accounts

Gosnell noted the program would be based on whether or not the residence received the Senior Homestead Exemption on the property tax bill which requires the taxpayer to be 65 or older and own or live in the property as their principal residence, eliminating the need for validation of the same by existing staff. Gosnell said the County was willing to supply the Village with a file annually noting which properties receive the exemption and staff would manage the handful of property transfers thorough out the year. Each residence would be required to have a single metered dwelling to measure the water usage, but using the County info would eliminate an application and verification process. Gosnell noted 1,747 existing accounts would qualify. Gosnell presented the following regarding the proposed program:

- 8.7 tgal Bi-Monthly Average
- First 7 tgal at JAWA Cost
  - \$5.16 Village - \$1.68 JAWA = \$3.48 (67%) tgal Discount
  - Annual Max \$146.16
- Based on 2021 Usage:
  - \$255k Max Exposure/Total Cost \$205k
  - Avg. Annual Discount \$117.03
  - 31% Max Out
- Seeking General Direction

Gosnell noted the average usage for eligible accounts is 8.7 thousand gallons per bi-monthly billing cycle and the proposed program would include the first 7 thousand gallons of usage be discounted to cost from the Village's water supplier. This is approximately 67% discount on the water usage charge. Based on usage data from 2021, the program would cost about \$205 thousand with an average annual discount of \$117.03. Gosnell noted he was seeking general direction from the Board on this type of program and formal approval could come later in the year with a multi-year water rate plan to begin May 1, 2023, the start of the next fiscal year.

Mayor Hood thanked staff for the research. He noted to the Board that he asked staff to look into ways to ease the burden on seniors and a potential senior water discount in light of the recently passed school referendum to see if the Village could do anything for that portion of the population.

Trustee O'Brien thanked staff for the research and asked if there was a way to ensure the disabled veterans who already get a property tax exemption would also receive this discount since they would not be in the dataset received from Lake County and miss out on the water discount. Gosnell responded that he would have to look into the exemptions offered to veterans and determine if the dataset could

include those residences. Gosnell noted worst case those could be handled individually through an application process.

Trustee Thorstenson thanked staff for the research and asked if the Village could do something sooner since the senior population was also feeling the pinch from inflation. Gosnell responded staff would have to physically go into 1,747 accounts initially to apply the senior discount code and that would take some time, but if it something the Board wanted to do sooner there would be a fiscal impact to this budget year and he would assess the needed staff time and try to move the start date up.

Trustee Balmes expressed concern about paying off the low interest loan from the IEPA early based on the current economic conditions and said she appreciates the cautious approach presented by staff to wait until later in the year to get a better handle on where the economy is headed before committing those excess General Fund reserves. Gosnell noted staff first starting talking about the potential use of excess reserves early in the year when economic conditions were better. He noted since that time there have been several rate hikes and risk of recession has increased. He noted the current interest rate on the IEPA Loan of 1.86% is just above what the Village is earning in various accounts of 1.5% and that is likely to flip with the next rate hike. When staff first started talking about paying off the loan the Village was earning less than 1% but he wanted to introduce the concept to the Board and re-consider it at an appropriate time.

Trustee Woodside thanked staff for the research and inquired about possibly raising the amount to provide even greater assistance to seniors. Gosnell responded that he ran the numbers on different scenarios for example if the Village did the full 8.7 thousand gallons at cost it would add another \$50 thousand to the cost of the program, but may capture things like watering your lawn or more discretionary water use for the discount rather than necessary usage. Woodside noted he would just like to do as much as the Village can for the seniors in relation to a water discount.

Trustee Thorstenson asked if the IEPA Loan allows the Village to pay additional principal at any time. Gosnell noted that it does and the Village has already made one additional principal payment of \$250 thousand and based on the direction from the Board at the time will continue to try and budget for that same additional principal payment annually to bring the term of the loan down to 11 years. Trustee Thorstenson said she would like the Village to pay more from the Water Fund to the loan. Gosnell noted that we then would need to scale back the water & sewer capital plan to do so and we could see what that looks like during the capital plan discussion later in the fall.

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**E. OLD BUSINESS**

None.

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**F. NEW BUSINESS**

1. Approval of Ord. 2022 – 42 granting a Special Use Permit pursuant to the Gurnee Zoning Ordinance to allow the establishment and operation of a body modification facility (tattoo studio) for 3701 Grand Avenue, Unit G.

Administrator Muetz said in July 2015 the Village Board approved a Special Use Permit to allow the establishment of a tattoo studio at 3567 Grand Avenue. Angel Bustos was the petitioner. The studio subsequently opened and has operated under a private, appointment-only model in an approximate 500 square foot tenant space. Business hours are set by the Village's licensing ordinance and are restricted to 8:00am to 10:00pm. The business has been successful and Mr. Bustos is looking to expand into a larger space. He has identified 3701 Grand Avenue (center to the west that houses A-Major Music and Pro Nails). The suite he would like to relocate to was previously occupied by Medical Weight Loss.

Per the Village licensing standards, location requirements state that a Body Modification and Tattoo Establishments cannot be located within 1,000 feet of a pre-existing Body Modification and Tattoo Establishment. If approved at the new location, operations could not begin until the previous location closes. Mr. Bustos is aware of this requirement and agreeable to it. Administrator Muetz stated should the new Special Use Permit be approved, the next item on the

agenda terminates the existing Special Use Permit upon the issuance of a Certificate of Occupancy for 3701 Grand.

The request was before Planning & Zoning Board (PZB) on June 15, 2022 and received a unanimous favorable recommendation

It was moved by Trustee Garner, seconded by Trustee Thorstenson to approve of Ord. 2022 – 42 granting a Special Use Permit pursuant to the Gurnee Zoning Ordinance to allow the establishment and operation of a body modification facility (tattoo studio) for 3701 Grand Avenue, Unit G.

**Roll call,**

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

**NAY:** 0- None

**ABSENT:** 0- None

**Motion Carried.**

2. Approval of Ord. 2022 – 43 terminating the Special Use Permit for a body modification facility (tattoo studio) granted by Ordinance Number 2015-54 for property located at 3567 Grand Avenue, Gurnee, Illinois.

Summarized under New Business Item #1.

It was moved by Trustee O'Brien, seconded by Trustee Ross to approve of Ord. 2022 – 43 terminating the Special Use Permit for a body modification facility (tattoo studio) granted by Ordinance Number 2015-54 for property located at 3567 Grand Avenue, Gurnee, Illinois.

**Roll call,**

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

**NAY:** 0- None

**ABSENT:** 0- None

**Motion Carried.**

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**G. PUBLIC COMMENT**

None.

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**Closing Comments**

None.

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**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 7:27 p.m.

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**Andrew Harris,  
Village Clerk**