

<div>MINUTES OF THE REGULAR MEETING OF THE GURNEE VILLAGE BOARD</div> <div>GURNEE VILLAGE HALL JANUARY 6, 2025</div>	
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; Christine Palmieri, Director of Human Resources; Erica Wells, Assistant Finance / HR Director; Ellen Dean, Economic Development Director; John Kavanagh, Fire Chief; David Douglass, Deputy Fire Chief; Brian Smith, Police Chief; Jeremy Gaughan, Deputy Police Chief.
Roll Call	<div>PRESENT: 5-Thorstenson, Ross, Garner, O'Brien, Balmes</div> <div>ABSENT: 1- Woodside</div>
Pledge of Allegiance	Mayor Hood led the Pledge of Allegiance.
A. APPROVAL OF CONSENT AGENDA	<div>It was moved by Trustee Balmes, seconded by Trustee O'Brien to approve the Consent Agenda as presented.</div> <div><div>Roll call,</div><div>AYE: 5- Thorstenson, Ross, Garner, O'Brien, Balmes</div><div>NAY: 0- None</div><div>ABSENT: 1- Woodside</div><div>Motion Carried.</div></div>
B. CONSENT AGENDA / OMNIBUS VOTE	<div>The Village Administrator read the consent agenda for an omnibus vote as follows:</div> <div><div>1. Approval of minutes from the December 16, 2024 meeting.</div><div>2. Approval of Res. 2025 – 01 establishing certain property of the Village of Gurnee to be surplus (Fire Engine #1321).</div><div>3. Approval of Public Works Department request to set of bid date of January 28, 2025 for the Lift Station Control Panel Replacement Project (four lift station panels).</div><div>4. Approval of Engineering Division request to set a bid date of February 24, 2025 for the Stoney Island Regional Water Main Replacement Project.</div><div>5. Approval of Payroll for period ending December 13, 2024 in the amount of \$993,042.53.</div><div>6. Approval of Payroll for period ending December 27, 2024 in the amount of \$1,017,279.61.</div><div>7. Approval of Bills for the period ending January 6, 2025 in the amount of \$1,899,989.71.</div></div> <div>It was moved by Trustee Garner, seconded by Trustee Ross to approve the Consent Agenda for an omnibus vote as read.</div> <div><div>Roll call,</div><div>AYE: 5- Thorstenson, Ross, Garner, O'Brien, Balmes</div><div>NAY: 0- None</div><div>ABSENT: 1- Woodside</div><div>Motion Carried.</div></div>
C. PETITIONS AND COMMUNICATIONS	None.

D. REPORTS

1. Presentation of Fiscal Year 2025/2026 Proposed Capital Budget.
Finance Director Gosnell along with Village Department Heads reviewed the 2025/2026 Capital Budget PowerPoint that included the following:

Purpose & Objective

- Long-Term Planning
- Multi-Year Capital Plan
 - Identifies long-term strategy
 - Provides a scope of capital responsibilities
- Preview of budgeted capital priorities
- Multi-Year Financial Forecast
 - Impact of capital needs
 - Sustainable operations budgets
 - Major Revenue scenarios
 - Baseline
 - Contraction
 - Expansion

Executive Summary

- **FY2026-2030 Capital Plan - \$79.3**
 - Pay as you go vs. Debt
 - Home Rule Sales Tax
 - Motor Fuel Tax
 - General Fund Capital Contribution
 - Water & Sewer Rates
 - Restricted Funds
 - Grants
 - Since 2020 – Applied for \$9.7M
 - Received \$1.1M
 - Rejected \$6.9M
 - Pending \$1.7M
 - Flexible Financing
- Transportation System \$9.4M or 46.7%
- Water & Sewer System \$5.0M or 24.8%
- Vehicles & Equipment \$3.2M or 15.9%
- Buildings & Improvements \$1.8M or 9.2%
- Technology \$489K or 2.4%
- Stormwater Management \$200K or 1.0%

FY2025 Plan Summary

- **Limitations**
 - Staffing Capacity
 - Supply Chain Lead Times
 - Match Expense with Budget
 - Base Vehicle Purchase
 - Budget & Board Approval
 - Upfitting
 - Fire – In-House
 - Police Squads – Reviewing Options
 - PW Trucks – Bonnell Industries
- **Administration - \$151K**
 - FY2026 Projects
 - Buildings \$125K
 - Village Hall updates post-HVAC
 - Technology \$25K
 - A/V systems
 - Beyond FY2026
 - Bittersweet Irrigation (FY27)
 - LAMA Replacement (FY28)
- **Administration Village-wide - \$297K**
 - FY2026 Projects
 - Technology - \$297K
 - Network Equipment \$155K
 - Cyber Security \$80K
 - Firewall Updates
 - Network Segmentation
 - Incident Response Services
 - Virtualization \$62K
 - Server Equipment
 - Storage & Tape Drive Update

- **Police Department - \$1.3M**
 - FY2026 Projects
 - Vehicles & Equipment \$862K
 - 5 Squads (3 Add Strength)
 - ET Vehicle/CSO Vehicle
 - K9/Grant Funded Vehicles
 - UTV
 - Buildings \$418K
 - HVAC
 - Securitas Gatekeeper building access control
 - Evidence Locker Upgrades
 - Community Room & Building Interior Updates
 - Fuel Island (Partial)
 - Beyond FY2026
 - Building Improvements/Upgrades
 - Policing in the 21st Century
- **Fire Department - \$1.5M**
 - FY2026 Projects
 - Vehicles & Equipment \$870K
 - Ambulance (2)
 - Cardiac Monitors (6)
 - Buildings \$590K
 - Fire Station Two Bunkroom
 - Annual Maintenance
 - Technology \$17.5K
 - Alerting & Outdoor Sirens
 - Beyond FY2026
 - Ambulance FY26
 - Fire Engine FY27
 - Fire Station Two Community Room and Offices
 - Fire Station One Brickwork
- **Public Works (Streets & Utility) - \$16.9M**
 - FY2026 Projects
 - Vehicles & Equipment \$1.47M
 - 1-Ton Plow Truck
 - 5-yard Truck Chassis (3)
 - Crane Truck
 - Pickup Trucks (3)
 - Small Bucket Truck
 - Cement Trailer
 - Forklift Truck
 - Hot Box Trailer
 - Buildings \$715K
 - Fuel Island Replacement
 - Generators
 - Trench Drains (Fleet Garage)
 - HVAC Upgrades
 - Various Facility Upgrades
 - Transportation System - \$9.4M
 - \$6.4M Resurfacing (7.45 mi)
 - \$1M Reconstruction (0.35 mi)
 - \$820K Engineering Consulting
 - \$800K Sidewalk
 - \$110K Street Light Wire
 - Water & Sewer System - \$5M
 - \$3.5M Water main replacement
 - \$637K SCADA upgrades
 - \$500K Sanitary Sewer extension
 - \$101K Intergovernmental
 - Stormwater Management - \$200K
 - \$75K Grove Ave Detention
 - \$75K Drainage Improvements
 - \$50K Floodplain Acquisition
 - Looking to the Future
 - More water main per year
 - Water Meter Replacements

During the Transportation System presentation, Director Ziegler reviewed the improvement in the Pavement Condition Index (PCI) of Village streets. In 2020, the PCI rating was 61. In 2022, the rating improved to 63. In 2024, the estimated PCI is 65. The improvement is due to significant roadway improvement programs.

Director Ziegler next reviewed various maps that showed where street resurfacing and reconstruction is proposed to take place.

Director Gosnell stated the PCI improvement is largely due to General Fund surplus funding that was used to enhance the capital program.

Director Ziegler also reviewed the sidewalk improvement plan for 2025. This includes improvements at Gages Lake Road and Route 21.

Staff then reviewed the Village's water distribution system. Director Ziegler shared a chart that showed the expected water main replacement cycle based on average life cycles over the next 70 years. He noted 46% of the Village's water main was installed between 1987 and 1997. Ziegler stated the next 30 years potentially include replacement of approximately 20 miles of water main. Following that, 30 miles between 2054 and 2064, 87 miles between 2064 and 2074, 42 miles between 2074 and 2084 and 6 miles between 2084 and 2094. To normalize the replacement and spread out the cost, staff recommends 20 miles of replacement each decade for the next two decades, followed by 25 miles, 35 miles, 35 miles 25 miles and 20 miles over the following five decades. He stated this is a much more manageable approach.

Director Gosnell added that funding needed for the first two decades would be between \$4 million - \$5 million annually. Currently the Village is spending \$2 million annually. This is half of what is needed to smooth the 2064 to 2074 spike.

Director Ziegler next reviewed a map showing the amount of cast iron water main currently in the system highlighting areas with proposed replacement in the next two years. He added that roads in these areas also need to be addressed.

Director Gosnell next presented information regarding the Multi-Year Financial Forecast including:

- The funds included in the forecast and focusing on those related to capital funding.
- 110-General Fund, 131-Captial Fund, 221 & 223-Water & Sewer Funds.
- Multi-Year Capital Plan as presented
- Major Revenues
 - Big 4 (Sales, Amusement, Food & Beverage and Hotel)
 - 3 Models: Baseline, Contraction, Expansion
 - Water Charges recommendation
- Major Expenditures
 - Salaries & Wages
 - Health Insurance
 - Pensions
 - Debt Service

Director Gosnell reviewed each of the following funds and provided a summary of fund balance projections:

110-General Fund projections:

- Major Expenditure Forecast – 75%
 - Salaries
 - Health Insurance
 - Pensions
 - Workers Compensation & Liability Insurance
 - Includes Partial Communications Change for FY26
 - LakeComm Year 1 Share
 - No Fund Balance Transfer included in Out Years
- Major Revenues – 70%
 - Sales, Amusement, Food & Beverage and Hotel
 - 3 Models: Baseline, Expansion, Contraction

Director Gosnell noted the importance of budgeting conservatively in the General Fund to overcome any unforeseen revenue interruptions. Gosnell also noted the importance of utilizing any excess fund balance over the policy limit to further fund the capital plan.

221 & 223-Water & Sewer Funds:

- Expenditure forecast and Capital Plan
 - Continued IEPA Accelerated Payments
 - \$5M Annual Watermain
 - Forecast assumes 6% water rate increase annually
 - No General Fund Transfer

221-Water Fund Forecast

- Expenditure Forecast and Capital Plan
- Forecast assumes 6% increase annually
 - Self-Sustaining (No Acceleration)
 - Senior Discount
- Capital Contribution of \$2.0M in FY25
- Fund Balance Target 33% of Revenues
- Evaluate Operating Budget Impact
 - Water Rate Recommendation to be discussed during March Budget Workshop
- CLCJAWA Increasing Rates 5% (33% of Rate)

Director Gosnell noted the need for additional funding to be able to smooth out the water main replacements over the next few decades. He noted the Village has the lowest water rates among CLCJAWA communities except for Volo, which offsets rates with property taxes.

Multi-Year Plan Summary

- No Debt
- Meet Fund Balance Policy
- Meet FY2026 Capital Needs
- Importance of Capital Contribution
- Water Rate Adjustment

Director Gosnell noted staff will seek direction on the following:

- Proposed Capital Plan for FY2026
- Water Rate Adjustment
- General Fund FY2024 Proposed Capital Contribution Transfer:
 - \$2.0m Capital Fund
 - \$2.0m Water & Sewer Fund

Mayor Hood asked if the Trustees had any questions or comments.

Trustee Balmes asked about the purchase of new vehicles.

Chief Kavanagh stated the Fire Department pays the amount the Village Board approves. In some instances, if the price increased the Village may have to pay that, mainly as it relates to ambulance chassis. He clarified the pre-pay option is no longer offered by manufacturers.

Director Galan stated any changes in pricing come back before the Village Board for consideration.

Trustee Balmes asked if the Village has to replace the asphalt hot box before it is returned.

Administrator Muetz stated no.

Trustee Garner stated he appreciates staff looking into the future. He stated that allows the Village to plan for it and, hopefully get there.

Trustee Balmes echoed Trustee Garner's statements.

Trustee O'Brien stated some tough decisions are coming if the Village wants to accomplish the future water main replacement plan.

Trustee Thorstenson stated she appreciates the level of detail provided. She stated she liked the idea of using storage containers to meet Police Department needs. She asked where they would be placed.

	<p>Director Galan provided clarification on the location.</p> <p>Deputy Chief Gaughan stated they need to be placed close enough for video monitoring. He continued to state the Public Works’ access gate would remain open, but the containers would be monitored with video and security alarms.</p> <p>Trustee Thorstenson complimented proposed pedestrian improvements. She concluded by stating she looks forward to upcoming discussions on revenue options.</p> <p>Trustee Ross asked about grant funding.</p> <p>Director Ziegler stated the Village has applied for federal grant funding to assist with Fuller Road reconstruction. He also stated he is working to repurpose the traffic signal grant for Fire Station #3 to use the funding for a water main project that has been completed.</p> <p>Mayor Hood stated he appreciates the foresight of staff.</p> <p>Administrator Muetz reminded the Board of the budget schedule going forward.</p>
<u>E. OLD BUSINESS</u>	None.
<u>F. NEW BUSINESS</u>	<p>1. Approval of Ord. 2025 – 01 authorizing the execution of Second Amendment to the Redevelopment Agreement with Red Crown Investment, LLC – 141 for property located at 4821 and 4885 Grand Avenue, Gurnee, Illinois.</p> <p>Administrator Muetz said the Village approved a redevelopment agreement with Red Crown Investments related to the BP gas station at Grand & 21, as well as the Avalon property on July 24, 2023. On April 22, 2024, the Village Board approved a First Amendment to the agreement as Red Crown requested an extension of some of the timelines in the agreement as it continued to work with the property owner to the south regarding the property line and with the Illinois Department of Transportation (IDOT) regarding curb cuts. Since that time, Red Crown has removed the Avalon building. Muetz stated part of the development includes straightening out and performing some earthwork along the southern property line between the BP/Avalon site and Primo. With plans now in final format, Red Crown is requesting a Second Amendment to the agreement to provide an additional 8,400 cubic feet of stormwater credits to fill, grade, and pave an additional 5,000 square foot portion of land, to be subsequently conveyed to property owner to the south so that it is usable for parking. Muetz stated the Village obtained the credits in conjunction with the removal of the DQ and hair salon on Old Grand. The Village currently has no other need or use for the credits and therefore staff is agreeable to the request. He stated the monetary value of the credits is approximately \$10,000. Graham has communicated it is hopeful it will be able to start construction in the spring.</p> <p>It was moved by Trustee O'Brien, seconded by Trustee Thorstenson to approve of Ord 2025 – 01 authorizing the execution of Second Amendment to the Redevelopment Agreement with Red Crown Investment, LLC – 141 for property located at 4821 and 4885 Grand Avenue, Gurnee, Illinois.</p> <p><u>Roll call,</u> AYE: 6- Thorstenson, Ross, Garner, O’Brien, Balmes NAY: 0- None ABSENT: 1- Woodside Motion Carried.</p>
<u>G. PUBLIC COMMENT</u>	None.
<u>Closing Comments</u>	None.

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

Voice Vote: ALL AYE: Motion Carried.

Mayor Hood adjourned the meeting at 8:05 p.m.

Adjournment

**Andrew Harris,
Village Clerk**