

<div>MINUTES OF THE REGULAR MEETING OF THE GURNEE VILLAGE BOARD</div> <div>GURNEE VILLAGE HALL MAY 19, 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; Nick Leach, Village Engineer; Ryan Nelson, Information Systems Director; John Kavanagh, Fire Chief; David Douglass, Deputy Fire Chief; Jeremy Gaughan, Deputy Police Chief.
Roll Call	<div>PRESENT: 6- Thorstenson, Woodside, Ross, Garner, O'Brien, Balmes</div> <div>ABSENT: 0-</div>
Pledge of Allegiance	Mayor Hood led the Pledge of Allegiance.
<div>A. PUBLIC COMMENT</div>	
Keith Owens 6464 Doral Dr. Gurnee, IL	Mr. Owens urged the Board to keep long-term goals in mind while dealing with short-term problems. He stated short-term problems include the Grocery Tax going away and the Bittersweet irrigation system replacement. Long-term issues include addressing capital needs as well as maintaining public safety and the local economy. He asked the Village Board to consider the housing burden costs faced by Gurnee residents, which may lead to homelessness. He also requested the Board consider the other burdens faced by Gurnee households as it discusses the Grocery Tax issue.
<div>B. APPROVAL OF CONSENT AGENDA</div>	<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: 6- Thorstenson, Woodside, Ross, Garner, O'Brien, Balmes</div><div>NAY: 0- None</div><div>ABSENT: 0- None</div><div>Motion Carried.</div></div>
<div>C. CONSENT AGENDA / OMNIBUS VOTE</div>	<div>The Village Administrator read the consent agenda for an omnibus vote as follows.</div> <div><div>1. Approval of the minutes from the May 5, 2025 meeting.</div><div>2. Approval of Engineering Division recommendation to award the 2025 Sanitary Sewer Evaluation and Survey project to ITPipes in an amount not to exceed \$21,870.00.</div><div>3. Approval of Public Works Department request to renew Cityworks Asset Management and Work Order Tracking Software contract and approve an Enterprise License Agreement for a period of one year at a cost of \$51,250.00.</div><div>4. Approval of Payroll for period ending May 2, 2025 in the amount of \$1,098,210.72.</div><div>5. Approval of Bills for the period ending May 19, 2025 in the amount of \$3,355,954.92.</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>

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

D. PETITIONS AND COMMUNICATIONS

1. Discussion of the State of Illinois' elimination of the 1% Grocery Tax.

Finance Director Brian Gosnell presented information regarding the upcoming elimination of the 1% Grocery Tax and options to replace the lost revenue.

Gosnell reviewed what the Grocery Tax is and information regarding the repeal including the following:

- Currently 1.75% Tax on Qualifying Food & Drugs
 - 0.750% to Regional Transportation Authority
 - 1.00% Back to Municipalities
 - Qualifying Food "Groceries"
 - Food for consumption off premises
 - Exceptions
 - Alcoholic Beverages
 - Items Infused with Cannabis
 - Soft Drinks and Candy
- Public Act 103-0781
 - Repeals the 1% State Grocery Tax effective January 1, 2026
 - Allows all municipalities to enact the tax without referendum
 - Ordinance to IDOR by October 1st

Gosnell reviewed information on how much the Village receives from the Grocery Tax, detailing how the amount is calculated noting that the amount is between \$2.0 and \$2.5 million. He stated the unknown is retailers that sell both qualifying food and drugs under a single Illinois Business Tax ID.

- Calculation
 - State 1% less Home Rule 1%
 - = Qualifying Food & Drugs, Titled Vehicles
 - Less: Vehicles
 - Less: Qualifying Drugs
 - = Qualifying Food (Groceries)
- Exception – IBT's Selling Both

How Much Does Gurnee Receive?

- Super Centers – \$1.1M
- Traditional Grocery Stores – \$670K
- Other Retailers – \$230K
- Drug Stores – Up to \$480K
- Total – \$2.0M - \$2.5M

Gosnell reviewed data on the customer profile of shoppers at three grocers in the community, noting the percentage of visits from a Gurnee zip code ranges from 35-48% and 55% are age 52 and over. He presented Gurnee zip code visit information on other retail types in Gurnee including the following:

Who Pays the Tax?

- Grocery Stores – 39.9% from 60031 zip codes
 - Jewel
 - Mariano's
 - Aldi
- Supercenters – 22.1% from 60031 zip codes
 - Target
 - Sam's Club
 - Walmart
- F&B Taxpayers – 13.7% from 60031 zip codes
 - Top 10
- Big 3 – 4.3% from 60031 zip codes

Based on the data more Gurnee residents shop at grocery stores than any other type of retailer.

Gosnell reviewed revenue needs including the need to replace the revenue lost from the Grocery Tax repeal as well as the gap in water and

sewer system infrastructure funding presented during the Multi-Year Capital Plan last budget cycle. Gosnell noted the total revenue need was \$5.0-\$5.5 million to fill the funding gap. He stated Home Rule Sales tax was the most logical source with a large enough base to raise that amount of revenue. He noted the following:

- Revenue Needs
 - Replace Grocery Tax \$2.0-\$2.5M
 - Raise Water Infrastructure \$3.0M
 - Minimize Impact to Residents
- Potential Sources
 - 1% Grocery Tax
 - Disproportionally Paid by Residents and 52+
 - Water Rates
 - Paid Directly by Residents
 - Home Rule Sales Tax
 - Disproportionally Exported
 - 0.25% Increments
 - 0.25% = \$2.89M in FY25
 - Other Local Taxes

Gosnell reviewed information related to the average household expenditures as noted in the most recent Consumer Expenditure Survey from the U.S. Bureau of Labor Statistics. He noted the items that would be subject to the 1% Grocery Tax and a 0.50% Home Rule Sales tax and the tax liability for both, pointing out the Home Rule Sales tax would result in about half the tax liability. He noted the following:

- Tax Paid on Average Annual Household Spend in Gurnee:

1% Grocery Tax up to \$165.12
Vs.
0.50% HMR Tax up to \$80.13
=\$85 Savings

He noted that due to the size of the retail base in Gurnee the additional Home Rule Sales tax would also raise enough revenue to cover the needed funding for water and sewer infrastructure that would otherwise need to be raised through water rates directly to residents. Gosnell noted if the infrastructure funding need were generated by water rates, the overall impact to an average residential water bill would be an additional \$178.56 annually. He noted the following:

- Tax Paid on Average Annual Household Spend in Gurnee:

1% Grocery Tax up to \$165.12
Vs.
0.50% HMR Tax up to \$80.13
=\$85 Savings
+
Water Infrastructure \$178.56
=\$263.56 Total Savings

Gosnell presented information on what the new Sales Tax rate would be and how Gurnee would compare to other Lake County communities, other Simon Malls in Illinois and other area malls in general. He noted the following:

- Sales Tax Rates
 - Lake County
 - Tied for 2nd out of 30
 - Simon Illinois Locations
 - 2nd Lowest
 - Simon & Other Local Malls
 - 7th out of 12

Gosnell noted the staff recommendation is to raise the Home Rule Sales Tax rate by a half percent (0.50%) to one and a half percent (1.50%) total, dedicate half to capital and infrastructure and not implement the 1% Grocery Tax. This would reduce the overall impact to households that spend the majority of their food budget on groceries and save residents money on their water bill in the future by securing a long-term funding source for water and sewer infrastructure.

Trustee Woodside asked if staff solicited feedback from Simon (Gurnee Mills) on the increase in Home Rule Sales tax. Administrator Muetz replied that staff reached out and Simon was indifferent about the increase and did not think it would impact the vitality of Gurnee Mills.

Trustee Woodside asked if during the research for the presentation if staff found any other community that had neither a Grocery Tax nor a Property Tax. Director Gosnell replied that while all communities have not yet decided on the Grocery Tax, the ones that have decided to forego re-instituting the tax have a Property Tax in place, and the communities without a Property Tax are expected to vote to re-institute the Grocery Tax.

Trustee Balmes noted her appreciation for the research and approach and stated she wanted to make sure the Village remained competitive from a rate standpoint. She stated she supports dedicating a portion to infrastructure.

Trustee Garner echoed the appreciation for the approach and wanting to stay competitive from a rate standpoint and lessen the burden on residents.

Trustee Woodside added that he thinks it is a great approach and that it lessens the burden on residents, lowers the cost of food, which is essential and keeps Gurnee competitive from a rate standpoint.

Trustee O'Brien agreed with what was already said and liked the idea that it would reduce water rates and lower the cost of essentials like food and water while shifting the burden to luxury items.

Trustee Thorstenson agreed with what was already said and added that she thought it was a fair approach and lessened the burden on necessities.

Trustee Ross agreed and asked for clarification in increments the rate could be increased. She also asked that water rates continue to keep pace so the Village does not fall too far behind in the future and perhaps thereby discourage water consumption.

Administrator Muetz noted staff would bring the appropriate ordinance back to a future meeting.

2. Discussion of additional regulations related to Food Trucks.

Administrator Muetz reviewed a PowerPoint presentation regarding food trucks. He stated staff has been receiving complaints from businesses and residents about food trucks in the Village. The complaints mainly focus on noise and the unfair advantage they have compared to permanent restaurants that have invested in the community and pay property taxes. He stated Assistant to the Administrator Pollack surveyed various communities to see how they address food trucks. Many have a set of general regulations combined with a small permit fee. Muetz stated as there is no local ordinance in Gurnee, other than not locating in residential zoned districts, it may be necessary to adopt an ordinance to address the following:

- Ensure public health and safety
- Protect existing brick-and-mortar businesses
- Promote fair competition
- Provide clarity for food truck operators

Muetz stated staff believes there are three options to consider:

- Option A: Impose a prohibition of food trucks, excluding special events.
- Option B: Impose an ordinance to regulate food trucks consistent with other Illinois community regulations.
- Option C: Impose an ordinance to regulate food trucks consistent with other Illinois community regulations AND with an emphasis on preserving existing Gurnee restaurants.

He next reviewed general regulations that were consistent across communities surveyed. These regulations include:

- Permit and Licensing Requirements
- Operating Location Restrictions
- Hours of Operation Limitations
- Noise and Disturbance Controls
- Sanitation and Waste Management
- Health and Safety Requirements

Administrator Muetz continued to state some additional regulations for consideration include:

- Food trucks vendors operating at the request of a licensed Gurnee food & beverage establishment, when conducting business at that establishment during business hours: permitted, no charge. (Example: Pips Meadery)
- Food trucks and carts participating in a permitted special event: permitted, no charge. Number and location of food trucks must be disclosed; Village reserves the right to restrict the number of trucks and/or days in a calendar year.
- Food trucks and carts participating in a permitted block party: permitted, no charge
- All other food trucks and carts, permitted and subject to any or all of the following:
 - Buffer Map Compliance
 - Mobile Food Service License of \$1,500 renewed annually
 - Carry insurance in accordance with Village-required coverage limits and name Village as additional insured
 - Food and Beverage tax filings monthly even if there is no revenue to report

Muetz then reviewed a map that illustrated a 500-foot buffer around existing restaurant locations to show the Board the areas of the Village where food trucks would not be allowed to park.

Administrator Muetz concluded the presentation by reviewing the rationale behind the \$1,500 permit fee. He stated the rationale is based on the average property tax a restaurant would pay the Village if it placed the Police and Fire pension costs on the property tax bill. This average was \$1,492.82. He stated staff also looked at the average tax per building square foot for restaurants and applied that the space required by small and large food trucks. This resulted in a range of approximately \$1,300 for a small food truck to \$1,800 for a large food truck based on the amount of square footage they need.

Mayor Hood asked for questions or comments from the Village Board.

Trustee O'Brien stated this will be a tough balancing act. He asked if the Village has information on food truck sales compared to brick and mortar establishments. He also asked if the buffer zone can be enforced. Trustee O'Brien also expressed concerns that a high fee could act as a deterrent as it relates to attracting food trucks to Village-sponsored events. He stated he likes a number of the proposed regulations.

Trustee Thorstenson asked if there are provisions for businesses that invite food trucks for their employees. Administrator Muetz stated yes.

Trustee O'Brien asked if staff has considered a dedicated location for food trucks to locate. Administrator Muetz stated staff has discussed that concept. He stated it would have to be on private property and staff wanted feedback from the Village Board before further researching that approach.

Trustee Ross stated she supports protecting brick and mortar businesses. She stated the fee seems high and would rather see a fee around \$500. Trustee Ross stated she supports the buffer zone, but is concerned about enforcement. Attorney Winter stated the buffer could be enforced with consequences for violations. Administrator Muetz stated any new guidelines will require additional enforcement. He continued to state an additional Code Enforcement Officer recently started with the Village. Muetz stated the proposed buffer would address a majority of the complaints staff has received from current business owners.

Trustee Woodside asked if this includes ice cream trucks. Administrator Muetz stated they are not included in this. Trustee Woodside stated the main goal is to protect brick and mortar businesses. He continued to question whether the Village could provide a designated location for food trucks and if they would be interested in it. He stated based on the buffer map, Tri-State Parkway appears to be available. Trustee Woodside stated the fee must include some benefits for the food truck operators. He stated he would prefer to limit other regulations in order to allow them to conduct business, unless there is a specific issue that needs to be addressed.

Trustee Balmes stated she agreed with Trustee Woodside, but believes a licensing fee is necessary. She stated she also supports general guidelines, and where they can set up and requirements related to that.

Trustee Garner stated brick and mortar must be protected, but not at the expense of harming food truck operators. He stated he supports a fee, but the proposed fee seems high.

Trustee O’Brien stated the \$1500 fee is equivalent to \$28 per week.

Trustee Balmes stated the food trucks need to pay Food & Beverage Tax.

Administrator Muetz stated staff will take the feedback provided and work to establish some proposed guidelines specific to Gurnee. He stated staff will revisit the proposed fee.

E. REPORTS

None.

F. OLD BUSINESS

None.

G. NEW BUSINESS

1. Approval of Ord. 2025 – 43 authorizing the execution of the First Amendment to the Commercial Solid Waste Services Agreement with Waste Management of Illinois, Inc.

Administrator Muetz said the Village of Gurnee contracts with Waste Management (WM) for commercial refuse and recycling collection. The original contract was approved in 2015 and had a seven-year term. In April 2022, the agreement was extended for three years. With that three years concluding on July 31st, staff has been working with SWALCO and WM on a successor contract. Muetz stated as indicated by SWALCO Executive Director Walter Willis at the April 21st Village Board meeting, the terms the Village was able to negotiate are very favorable to the business community and better than what other communities are obtaining. All provisions of the contract remain unchanged except one item, the index used to determine annual cost increases. Muetz stated staff was able to negotiate a price freeze in the first year of the contract, with years two through five being limited to adjustments of 2.25% to 3.5% tied to the Garbage & Trash Collection Consumer Price Index (G&T CPI), rather than the All Items Consumer Price Index. WM requested the change in index as the G&T CPI best represents its business and the inflationary cost in connection with trash collection. Muetz concluded by stating WM has done a nice job with the commercial sector, with the Village receiving very few complaints

It was moved by Trustee Garner, seconded by Trustee Thorstenson to approve of Ord. 2025 – 43 authorizing the execution of the First Amendment to the Commercial Solid Waste Services Agreement with Waste Management of Illinois, Inc.

Roll call,

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

NAY: 0- None

ABSENT: 0- None

Motion Carried.

2. Approval of Public Works Department request to waive the formal bidding process and award the trimming of approximately 1,000 parkway trees greater than 10” in diameter to MDiaz Tree Service at a total cost of \$112,000.00.

Administrator Muetz said the Public Works Department is responsible for approximately 14,000 parkway trees. Public Works staff trims all trees 10” in diameter and below and contracts for the trimming of trees larger than this. Between staff and the contractor, trimming currently takes place on a six-year cycle. In April of 2024, the Village Board approved a contract with Arbor Care to perform tree trimming of approximately 1,025 trees in the amount of \$100,000 for FY24/25. Muetz stated unfortunately, the owner of the company passed away in November 2024 and the company has dissolved. Public Works subsequently obtained three quotes from tree contractors to complete the remaining work. MDiaz Tree Service provided the lowest quote, however the Village had no experience with its work so staff proposed a smaller initial contract. MDiaz has completed the work with staff very satisfied with the quality of work and responsiveness. As a result, the Village awarded the remaining work to MDiaz. Muetz stated staff reached out to MDiaz to discuss 2025 trimming needs. MDiaz is proposing a 3% increase, which brings its pricing to approximately what the second lowest bidder in 2024 quoted. Based on past performance, staff is recommending continuing with MDiaz. Muetz stated the focus of this year’s trimming program will be Southridge, Fairway Ridge and Kingsport.

It was moved by Trustee Ross, seconded by Trustee Balmes to approve of Public Works Department request to waive the formal bidding process and award the trimming of approximately 1,000 parkway trees greater than 10” in diameter to MDiaz Tree Service at a total cost of \$112,000.00.

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

3. Approval of Public Works Department request to waive the formal bidding process and purchase a Spaulding Manufacturing two-ton hot patcher with dump box from Sherwin Industries, Inc. at a cost of \$34,497.59.

Administrator Muetz said the Village has been using an asphalt hot box that has been on loan from Waukegan Township for the past 10 years. Given its age, the unit is starting to have issues and is in need of replacement. Funding was included in the FY 25/26 Approved Budget for its replacement. Staff researched various units and located a model that meets its needs. Other models reviewed were either large or smaller than the Village needs. Muetz stated the two-ton unit meets the Department’s needs and is available from Sherwin Industries in Milwaukee. Due to Waukegan Township loaning the Village its unit over the past ten years staff did offer to assist them if the new unit is approved if they need help.

It was moved by Trustee O’Brien, seconded by Trustee Garner to approve of Public Works Department request to waive the formal bidding process and purchase a Spaulding Manufacturing two-ton hot patcher with dump box from Sherwin Industries, Inc. at a cost of \$34,497.59.

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

H. PUBLIC COMMENT

Keith Owens
6464 Doral Dr.
Gurnee, IL

Mr. Owens stated he appreciated the presentation and any savings the Village can pass along. He questioned the allocation of the proposed Sales Tax increase to water and sewer capital. Mr. Owens stated that he anticipates a large amount of requests from the CARES Commission. He asked if some of the revenue can be dedicated to social services. He requested it be institutionalized in the budget. He stated he has been told Motor Fuel Tax has a larger impact on those in need than Grocery

	Tax does. Mr. Owens then expressed concerns about the lack of family apartments in Gurnee. He stated additional revenue should be allocated towards social programs to help those in need.
Closing Comments	None.
Adjournment	<p>It was moved by Trustee Balmes, seconded by Trustee Garner to adjourn the meeting.</p> <p><u>Voice Vote:</u> ALL AYE: Motion Carried.</p> <p>Mayor Hood adjourned the meeting at 8:03 p.m.</p>
Andrew Harris, Village Clerk	