

MINUTES OF THE WARREN-WAUKEGAN FIRE PROTECTION DISTRICT

GURNEE STATION #2

Wednesday September 20, 2017

President DeRuntz called the meeting of the Board of Trustees of the Warren-Waukegan Fire Protection District to order at 6:00 p.m.

Trustees Present: Phil DeRuntz and Brian Wattleworth, Martin Klauber
Other Officials: Brian J. O'Connor of Ottosen, Britz, Kelly Cooper,
Gilbert & DiNolfo & Chief Kavanaugh
Others Present: Doug Taveirne of Dam, Snell and Taveirne, CPA, Beverly S. Shannon, Recording
Secretary, Steve Carlson of Lake County Dist. 7 and Pat from the Village of Gurnee.

Reappointment of Trustee Klauber: Martin Klauber took the oath of office for the position of Treasurer of WWPFD as administered by Mr. O'Connor.

Election of Board Officers: Trustee Klauber made the motion to appoint Brian Wattleworth and Phillip DeRuntz as Secretary and President respectively. President DeRuntz seconded the motion. A roll call was taken:

Ayes: 3

Nays: 0

Motion carried: 3/0

Public Comment: None

Approval of Minutes: Trustee made a motion to approve the July 19, 2017 meeting minutes as submitted. Trustee Wattleworth seconded the motion. A voice vote was taken. All in favor, motion carried 3/0.

REPORTS

President's Report:

President DeRuntz, as always, has been very busy since the last board meeting. President noted how changes to procedure have improved the process for any resident having a complaint. Now, the Finance Department at the Village of Gurnee handles ambulance billing the financial public's questions and concerns in a timely and professional manner. President DeRuntz is confident when he forwards a billing inquiry from a resident to the Director of Finance, Ryan Gosnoll, the issue will be taken care of correctly.

Treasurer's Report:

Trustee Klauber stated that the current assets for the WWFPD stand at 5.4M which includes the July payment to the Village of Gurnee. Interest accrued since the last report totaled \$5382.00. President DeRuntz noted that Trustee Klauber has done a good job of handling the finances on behalf of the WWFPD.

President DeRuntz made a motion to accept the Treasurer's Report as presented. Trustee Wattleworth seconded the motion. A roll call was taken:

Ayes: 3 Nays: 0 Motion carried: 3/0

Trustee Klauber next presented a Statement of Expenditures.

<u>Proposed Expenditures</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>
Beverly Shannon	9/20/17	Recording Secretary	\$180.00
Phil DeRuntz	9/20/17	Training & Expenses	\$594.02
Ottoson, Britz Kelly Gilbert	9/20/17	Legal	\$1665.00
Village of Gurnee	9/20/17	Fire & Ambulance	\$743,866.75
PBS	9/20/17	Paramedic Billing	\$2589.63
Martin Klauber	9/20/17	Supplies	\$132.80
CDW	9/20/17	Supplies	\$296.17
Total			\$748,895.40

President DeRuntz made a motion to accept the Statement of Expenditures in the amount of \$748,895.40. Trustee Wattleworth seconded the motion. A roll call was taken:

Ayes: 3 Nays: 0 Motion carried 3/0

Trustee Klauber next handed out the Statement of Investments.

President DeRuntz made a motion to accept the Statement of Investments. Trustee Wattleworth seconded the motion. A roll call was taken:

Ayes: 3 Nays: 0 Motion carried: 3/0

Chief Kavanaugh agreed to scan any future invoices and send them to both Trustee Klauber and Doug Traveirne and Trustee Klauber reminded the board that there will be another large ambulance payment to the Village in the fall.

Secretary's Report:

Trustee Wattleworth had nothing specific at this time and handed copies of the trustee reappointments to Mr. O'Connor as well as Certificates of Insurance.

Fire Chief's Report:

Chief Kavanaugh replaces Chief Friedl who retired last month. Congratulations Chief!

Chief Kavanaugh stated that the large gas explosion recently in our district was still under investigation. He noted that natural gas fires need to continue burning until it can be shut off at the source, answering some questions as to why the fire continued so long after rescue arrived. The explosion was large enough to move homes from their foundations and though no neighboring residents were injured, there was at least one fatality on scene. A more in-depth investigation will be continued by the insurance agencies due to their many resources, but the Chief wanted to commend the actions and coordination of all who responded to the event. The Chief noted that the Class A foam worked very well and Mr. Carlson noted how professionally the first responders handled the crowd. All personnel were professional and courteous while addressing a very serious situation, keeping people calm and safe. This was an instance of many different governmental agencies and the community working extremely well together.

Attorney's Report:

Resident Complaints: President DeRuntz wanted it stated in the record that a resident complaint that had been brought to his attention and has been forwarded to the Village Department of Finance. The WWFPD continues to be transparent in all of their public dealings. Ryan Gosnoll is our contact in the Village Department of Finance.

Annexations: A letter has been prepared to submit for payment due from the City of Waukegan. Payments were to begin in January of 2014 for property annexed and to date the amount due is over \$180,000. Additionally, Wadsworth also owes payment for annexed property, though the amount is much less.

President DeRuntz made a motion to authorize Mr. O'Connor send the letters to the finance departments of the Waukegan and Wadsworth. Trustee Wattleworth seconded the motion. A roll call was taken:

Ayes: 3

Nays: 0

Motion carried: 3/0

Old Business:

- a. Ambulance Billing complaints: None
- b. Annexations: None

New Business:

a. Ordinance 2017-R-04: 2017 Truth in Taxation Determination:

The District is asking for the standard 1.049%.

President DeRuntz made a motion to accept Ordinance 2017-R-04: 2017 Truth in Taxation Determination. Trustee Klauber seconded the motion. A roll call was taken:

Ayes: 3 Nays: 0 Motion carried: 3/0

Mr. O'Connor distributed copies of the ordinance to the trustees for signatures.

b. Dam, Snell & Taveirne 2017 Audit Report.

c. Dam, Snell & Taveirne 2017 Annual Financial Report.

President DeRuntz wanted to express his immense satisfaction with the thorough and professional service provided by the team at Dam, Snell & Taveirne. They prepare a financial audit that not only meets the requirements of the WWFPD, but enables transparency and by extension trust between the WWFPD, government at the local and state level as well as the community it represents.

Mr. Taveirne presented a Management Letter for review by the board.

Mr. Taveirne noted that the annexation fees that Mr. O'Connor referred to in the Attorney's Report are included in the report.

Trustee Klauber will create a spreadsheet to track invoices and payments due to the increase in activity.

Mr. Taveirne stated that the only report not available at this time is the one due to the Comptroller. Mr. Taveirne will forward the report as soon as the necessary data is published.

Mr. O'Connor will publish the financial information as required once all reports have been signed.

Trustee Klauber made a motion to approve Audit and Annual Financial Report as presented. President DeRuntz seconded the motion. A roll call was taken:

Ayes: 3 Nays: 0 Motion carried: 3/0

President DeRuntz made a motion to approve the Management Letter as presented. Trustee Klauber seconded the motion. A voice vote was taken:

Ayes: 3 Nays: 0 Motion carried: 3/0

President DeRuntz made a motion to the Annual Treasurer's Report presented. Trustee Wattleworth seconded the motion. A voice vote was taken:

Ayes: 3 Nays: 0 Motion carried: 3/0

- d. Closed Session Minutes Review – None
- e. Discussion of Possible Third District Fire Station:

Mr. O'Connor wanted everyone to be aware of the 3 options available in building a 3rd station.

1. District buys, builds and maintains station outright.
2. District gives money to the Village to buy the land and build the station. (No ownership for WWFPD)
3. District loans Village money for station for a period of less than 20 years at an agreed upon rate.

Next, Chief Kavanaugh presented a PowerPoint laying out the facts concerning a possible new station.

The following bullet points were included in his presentation:

- Primary question is, "Is a third station necessary?"
- Calls have increased to 6500 this year and will continue to do so as the community grows.
- With addition of latest ambulance (No. 5) the life of all the ambulances have been extended, and with the addition of the new ladder truck and heavy rescue squad, there would not be a need to purchase equipment for years.
- Since there is not a need for equipment in the near future, Chief Kavanaugh is proposing the funds that have previously gone to apparatus could now funnel to a station that would serve both the District and the Village.
- Chief Kavanaugh stated that staff would need to be reassigned and reconfigured to accommodate the 2nd, 3rd and 4th calls that come in simultaneously and a third location would reduce response time
- Most calls are paramedic not fire. (70+%)
- The third station would be in the area that is growing most rapidly and will require more service. Ideal location would be along the 120 & 21 corridor.
- The project would take 2-3 years.
- WWFPD currently pays 28% of Fire Department operating budget.
- What would the cost to the WWFPD be @ 28% for the third station?
- What is the effect on the tax rate.
- The Chief emphasized the current working relationship between the WWFPD and the Village, highlighting the ability to jointly purchase of past capital projects.
- Trustee Klauber stated that he believes it is a good idea, but does not want any ownership, but thinks some of the WWFPD reserves could go to building the station.
- Mr. O'Connor noted that giving the money for the station, in whatever the amount, does not guarantee continuous use of the facility; the residents whose money would be used, have no ownership.
- Mr. O'Connor stated that shared ownership only works as long as both parties agree. This working relationship could be affected by changes to the boards of either the Village or the WWFPD down the road.

- Mr. O'Connor reminded the board that it is his job to foresee any future problems including a rift between parties engaged in building a fire station.
- President DeRuntz questioned the propriety of using the District resident's money in this fashion.
- Mr. Carlson stated that a loan had been taken from the District for the building of Station #2 (and was repaid) but the contract did not use a formula based on a dollar amount and he is not sure that the same thing could be done again. The legalities would have to be explored.
- Pat of the Village of Gurnee was asked if the Village had any interest in the partnership. She stated that there are a lot of issues to discuss noting that if the Village takes a loan they are responsible for future expenses.
- Given that this is a preliminary discussion it was decided that an exploratory committee should be formed and noted that a meeting with any two board members present can be considered official business.
- Trustee Klauber asked the Village to come back with a few options that would work for them.
- Mr. Klauber wanted it on the record that he would like to continue in partnership with the Village.
- Mr. Carlson disputed the stance that the WWFPD can continue to build up reserves and requested a (symbolic) discussion about a reduction in levies. He also suggests that the WWFPD loan the money for the third station to utilize reserve/collected revenue.
- President DeRuntz reminded the board that the WWFPD legal team suggests 2 ½ times budget as a reserve. This is a goal that the board has been diligently striving for while supporting the District and Village. He noted that in a state that is on the edge of bankruptcy, it is the WWFPD's responsibility to be fiscally prudent. He believes that a referendum would be necessary before funds could be released.

Given that this was a preliminary discussion, it was agreed to explore options further at a later date, possibly the November WWFPD board meeting.

Review agenda for next meeting:

Trustee Klauber stated that he is unavailable for the regularly scheduled meeting on 11/15/17. A special (replacement) meeting was planned for 11/14 at 4:30 PM.

Levy Orders will be on the agenda for next meeting.

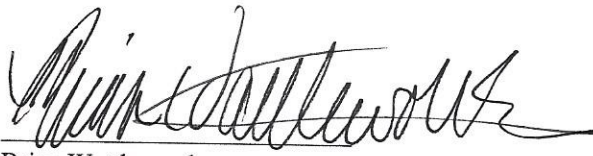
Possible discussion of third fire station will resume at the next meeting.

Having no further business to come before the Board, Trustee Wattleworth made a motion to adjourn the meeting at 7:52 PM. President DeRuntz seconded the motion.

Ayes: 3

Nays: 0

Motion carried 3/0



Brian Wattleworth
Secretary, Board of Trustees
Warren-Waukegan Fire Protection District

11/14/17

Date minutes approved