

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

**GURNEE VILLAGE HALL
OCTOBER 9, 2017**

Call to Order

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

Other Officials in Attendance

Patrick Muetz, Village Administrator; David Ziegler, Assistant Village Administrator/Community Development Director; Bryan Winter, Village Attorney; Scott Drabicki, Village Engineer; Brian Gosnell, Finance Director; Tom Rigwood, Director of Public Works; Kevin Woodside, Police Chief; Saundra Campbell, Deputy Police Chief; Ellen Dean, Economic Development Director, Jack Linehan, Assistant to the Administrator

Roll Call

PRESENT: 6- Ross, Garner, Balmes, Hood, Thorstenson, Jacobs
ABSENT: 0- None

Pledge of Allegiance

Mayor Kovarik led the Pledge of Allegiance.

A. PUBLIC COMMENT

None.

B. APPROVAL OF CONSENT AGENDA

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

Roll call,

AYE: 6- Ross, Garner, Balmes, Hood, Thorstenson, Jacobs
NAY: 0- None
ABSENT: 0- None
Motion Carried.

C. CONSENT AGENDA / OMNIBUS VOTE

The Village Administrator read the consent agenda for an omnibus vote as follows:

1. Approval of the minutes from the September 25, 2017 Village Board meeting.
2. Approval of setting bid date of October 31, 2017 for calendar 2018 fuel purchase.
3. Approval of Payroll for period ending September 29, 2017 in the amount of \$804,296.94.
4. Approval of Bills for the period ending October 9, 2017 in the amount of \$1,745,971.02.

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

Roll call,

AYE: 6- Ross, Garner, Balmes, Hood, Thorstenson, Jacobs
NAY: 0- None
ABSENT: 0- None
Motion Carried.

D. PETITIONS AND COMMUNICATIONS

1. Administration of Oath of Office for the promotion of Police Commander Brian Smith to Deputy Police Chief.

Mayor Kovarik administered the Oath of Office and Deputy Police Chief Smith thanked his family and his colleagues for all their support.

2. Approval of a Proclamation designating October 8 - 14, 2017 as "Fire Prevention Week" in the Village of Gurnee.

Mayor Kovarik read proclamation into record.

It was moved by Trustee Ross, seconded by Trustee Balmes to approve of a Proclamation designating October 8 - 14, 2017 as "Fire Prevention

Week” in the Village of Gurnee.

Voice Vote: ALL AYE: Motion Carried.

3. Approval of a Proclamation designating October 23 - 31, 2017 as “Red Ribbon Week” in the Village of Gurnee.

Mayor Kovarik read proclamation into record.

It was moved by Trustee Garner, seconded by Trustee Balmes to approve of a Proclamation designating October 23 - 31, 2017 as “Red Ribbon Week” in the Village of Gurnee.

Voice Vote: ALL AYE: Motion Carried.

E. REPORTS

1. Presentation by Finance Director Brian Gosnell – Fiscal Year 2017/2018 First Quarter financial performance.

Finance Director Gosnell presented the following Power Point presentation to the Board.

Fiscal Year 2017/2018
1st Quarter Financial Review
May 1, 2017 – July 31, 2017
(Un-audited)

General Fund – Major Revenues

Major revenues in the General Fund, which account for about 75% of all revenues, finished the quarter with a positive variance of 2.65% or \$181k versus budget, 0.65% or \$45k ahead of the same period last year.

Sales taxes are trailing budget slightly by just 0.57% or \$22k and last year by 0.72% or \$28k.

Income taxes are well ahead of budget and last year but this is due to an additional payment made by the State in July. FY18 the Village receive 14 payments and likely end with a positive variance even with the 10% drop.

Use Tax continues to outperform both budget and last year as more and more online retailers are collecting sales taxes.

Telecom Taxes continued to decline. Staff expected and budgeted for a 7% drop in this revenue source.

Amusement Park Taxes are outperforming budget and last year by 2.1% and 1.4% respectively.

Food & Beverage receipts continue to be strong with positive variances versus budget of 2.63% and last year by 1.39%.

Hotel Taxes are down 43.61%% from last year and about 3% versus budget due to the closing of KeyLime Cove which staff anticipated.

Building permits are strong with a positive 4.8% variance versus budget and 26.76% versus last year.

General Fund Revenues

Taxes finished the quarter at 31.72% of budget primarily due to the timing of road & bridge taxes.

Licenses & permits finished the quarter at 3.57% of budget due to the timing of Business and Liquor licenses.

Intergovernmental Revenues finished the quarter at 42.70% of budget, primarily due to the timing of replacement tax receipts.

Charges for Services finished the quarter at 19.66% of budget primarily due to the timing of the first Zion dispatch charge received in the 2nd quarter and tower and antennae lease payments.

Fines & Forfeitures finished the quarter at 30.42% of budget primarily due to increased red light enforcement and collections from IDROP.

Interest & Contributions finished the quarter at 35.02% of budget, due to rising interest rates and strong performance from investments.

General Fund Expenditures

Salaries & Wages category finished at 25.78% of budget due to 3 payrolls in the month of June.

Employee Benefits finished at 25.01% of budget due to timing of the workers compensation insurance premium.

Contractual Services finished the quarter at 27.95% of budget due to the timing of seasonal contracts for items such as mowing.

Other Contractual Services finished the quarter at 54.15% of budget due to the timing of liability insurance premiums.

Water & Sewer Fund Revenue

Charges for service finished the quarter at 21.88% of budget due to lower than anticipated water usage. Water usage was down approximately 5.5% over the same timeframe last year.

Fines & Forfeitures finished the quarter at 29.58% of budget due to greater than anticipated delinquencies.

Interest Income finished the quarter at 27.01% due to slightly rising interest rates and strong performance from investments as noted in the General Fund.

Water & Sewer Fund Expenditures

Employee Benefits finished the quarter at 54.31% of budget due to the timing of the workers compensation premium.

Other Contracted Services finished the quarter at 63.43% of budget due to the timing of insurance premiums.

Police & Fire Pension

Police Pension (Ziegler & Stratford)

- Avg. Monthly Portfolio Balance - \$43.9m
- FY18 Gains/Income – \$1.4m
- FY18 Annualized Return – 12.86%
- 12 month Rolling Return – 8.07%
- 36 month Rolling Return – 6.40%

Fire Pension (Sawyer Falduto)

- Avg. Monthly Portfolio Balance - \$33.9m
- FY18 Gains/Income – \$960k
- FY18 Annualized Return – 11.33%
- 12 month Rolling Return – 9.70%
- 36 month Rolling Return – 6.03%

Questions:

None.

2. Presentation by Village Engineer Scott Drabicki – 2016/2017 All Natural Hazards Mitigation Plan (ANHMP) progress report.

Village Engineer Drabicki presented the following Power Point presentation to the Board.

Lake County All Natural Hazards Mitigation Plan

Why Prepare a Hazard Mitigation Plan?

Disaster Mitigation Act of 2000

- Requires plan for release of PDM & HMGP funds

- Plan
 - Identify natural hazards
 - Assess vulnerability
 - Determine how to minimize or eliminate risks
 - Update regularly

Plan Maintenance

Communities should review plan, hazards encountered, & action items every year.

Annual meeting to evaluate plan progress and recommend updates.

Plan will be formally updated & submitted to FEMA within 5 years of approval.

2017 update is an action item for this evening.

Gurnee Action Items & Progress

Plan adoption – completed July 2, 2012

Improve communications with public – ongoing

Improve Building Codes – Last updated 2012

Urban Forestry – Gurnee = Tree City USA

Sanitary Inflow and Infiltration

- \$150,000 budgeted for repairs this year, no contracts yet.

Flooding mitigation – ongoing

- 2016 FMA & PDM grant applications – grant was not approved
- 2017 PDM grant applications – looking to submit 3-4 properties with flood insurance impacted by the July 2017 event
- July 2017 flood response.
- Drainage system improvements
 - Gurnee Tributary stabilization west of O’Plaine – done
 - Providence Oaks – Park City Creek – done
 - Spruce Street ditching – done
 - Kenwood Ave grading – done
 - Briar and Ellis storm sewer - done
 - Sunnyside Ave grading - done
 - Sunnyside Ave – done
 - Kim Court – pending

NFIP participation & Community Rating System

- CRS saved the Village \$7,084 on flood insurance premiums this year (Public Works \$647, FS1 \$5,019, Mother Rudd \$1,418)

StormReady certification from NOAA maintained

National Incident Management System (NIMS)

- 147/205 employees are certified at the basic training level – Incident Command System

Questions:

Mayor Kovarik asked if our public building are built to higher standards to withstand severe weather conditions.

Mr. Ziegler said no.

Trustee Garner asked what the total cost of the July 2017 flood was.

Mr. Muetz said something the out of pocket cost was approximately \$100,000. However, when manpower and equipment rates are included in the cost, it total approached \$500,000.

F. OLD BUSINESS

None.

G. NEW BUSINESS

1. Approval of Res. 2017 - 08 adopting the 2017 Lake County All Natural Hazards Mitigation Plan.

Item #2 under reports.

No further discussion.

It was moved by Trustee Balmes, seconded by Trustee Thorstenson to approve of Res. 2017 - 08 adopting the 2017 Lake County All Natural Hazards Mitigation Plan.

Roll call,

AYE: 6- Ross, Garner, Balmes, Hood, Thorstenson, Jacobs

NAY: 0- None

ABSENT: 0- None

Motion Carried.

- 2. Approval of Ord. 2017 - 46 authorizing the execution of an addendum to the Bittersweet Golf Course Management Agreement with GolfVision Management, Inc.

Mr. Muetz said in late 2012 the Village issued a Request for Proposal (RFP) related to managing the course. Following review of proposals, staff recommended, and the Village Board subsequently approved, the contract being awarded to Golf Visions. The contract started with the 2013 season and was a five year term. Based on course performance, player feedback and staff experience, Village management is recommending the contract be renewed with Golf Visions for an additional five years subject to three minor modifications. These modifications include:

- Five year term with Annual Base Fee of \$39,000 which shall remain flat throughout the contract.
- Incentive fee of 15% of Gross Revenue over \$1,025,000. The course has continued to increase gross revenue, while keeping a control on expenditures and reinvesting in the property. In order to motivate GolfVisions to continue to increase revenues, the threshold at which an Incentive Fee is triggered has been increased from \$1,000,000 to \$1,025,000.
- Removal of the language requiring the Village to budget \$100,000 annually should the course need financial assistance. The course has become self-sustaining under GolfVisions management and therefore both staff and the course agree that this provision is no longer needed. This removes this financial commitment from the Village budget.

Mr. Muetz said all other provisions remain unchanged. He continued to say that over the past five years Golf Visions has worked hard to improve Bittersweet in terms of financial performance, reputation, playability, appearance and community utilization. Staff has been very happy with the performance and the relationship and is recommending the contract be renewed for an additional five year.

Mayor Kovarik echoed Mr. Muetz's statements regarding GolfVision's performance.

It was moved by Trustee Garner, seconded by Trustee Thorstenson to approve of Ord. 2017 - 46 authorizing the execution of an addendum to the Bittersweet Golf Course Management Agreement with GolfVision Management, Inc.

Roll call,

AYE: 6- Ross, Garner, Balmes, Hood, Thorstenson, Jacobs

NAY: 0- None

ABSENT: 0- None

Motion Carried.

H. PUBLIC COMMENT

None.

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 Kovarik adjourned the meeting at 7:35 p.m.

Andrew Harris,
Village Clerk