

MINUTES OF THE PUBLIC HEARING

Public Hearing on the Fiscal Year 2019/2020 Proposed Budget.

GURNEE VILLAGE HALL APRIL 1, 2019

Call to Order

Mayor Kovarik called the public hearing to order at 6:42 p.m.

Other Officials in Attendance

Patrick Muetz, Village Administrator; David Ziegler, Assistant Village Administrator / Community Development Director; Heather Galan, Village Engineer; Bryan Winter, Village Attorney; Brian Gosnell, Finance Director; Christine Palmieri, Director of Human Resources; Tom Rigwood, Director of Public Works; John Kavanagh, Fire Chief; Brian Smith, Interim Police Chief; Jeremy Gaughan, Police Commander; Ellen Dean, Economic Development Director, Jack Linehan, Assistant to the Administrator

Roll Call

PRESENT: 5- Garner, Balmes, Hood, Thorstenson, Ross

ABSENT: 1- Jacobs

Village Administrator Muetz noted the purpose of the hearing was to consider the FY 2019/2020 Proposed budget. Muetz identified the changes to the proposed budget since the first budget workshop included no change to revenues, an increase in General Fund expenses of \$52,209, and a decrease in Water & Sewer Fund expenses of \$132,690.

Finance Director Gosnell reviewed a PowerPoint presentation that contained the following information contained in Section 1 of the budget document:

- The financial planning & reporting process elements.
- Budget preparation timeline
 - 12/17/18 - Multi-Year Financial Forecast
 - 12/17/18 – Multi-Year Capital Plan
 - 3/4/19 – Budget Workshop #1
 - 3/13/19 – Public Hearing Notice Published
 - 4/1/19 – Budget Public Hearing & Approval
 - 5/1/19 – Start of the Fiscal Year
- Updates since the 3/4/19 budget workshop
 - General Fund Expense +\$52,209
 - Salary Adjustments + \$9,374
 - MICA Final -\$23,770
 - Codification Service +\$1,605
 - Snow & Ice Control +\$65,000
 - Water & Sewer Operating Fund Expense -\$132,690
 - MICA -\$4,690
 - Final CLCJAWA Rate -\$128,000
 - Amusement Tax Rollup for Prior Years
 - Zero out 911 Fund Year-end Estimate Expense +\$86,050
- Theme of the FY 2019/2020 Budget - Investing in the Future
 - Capital Plan
 - Surplus Transfer
 - Grand & Hunt Club
 - Knowles Rd. Tower
 - Public Safety
 - Six Firefighter/Paramedics (Partial Grant Funding)
 - Fire Station #3
 - Communications Operator
 - EMD Technology
 - Fiscal Sustainability
 - Pension Contributions
 - Preserve Fund Balance
 - East Grand Enhancements
 - Economic Development Participation
- Factors impacting the budget
 - Strong Sales Tax
 - Use Tax & Internet Sales
 - Amusement & Hotel Tax
 - Economic Development Reserve

- Great Wolf Rebate
- S.A.F.E.R. Grant
- IEPA Loan Completion & Debt Service Timing
- Budget Outcomes
 - 19th Year No Property Tax
 - Economic Development Participation
 - Continued Capital Plan
 - Strategic Plan Alignment
 - Maintain Non-Public Safety Personnel Levels
 - Preserve General Fund Balance

Mr. Gosnell next reviewed information contained in Section 5 of the budget document and noted the information was on an all-funds basis. Mr. Gosnell presented information on revenues, expenditures and surplus/deficit for each Fund highlighting the following:

- On an all-funds basis revenues total \$77 million and expenditures \$73 million
- The General Fund has a small budgeted surplus of \$18,783
- Planned drawdowns in the Motor Fuel Tax, Impact Fee, Capital Improvement and Water & Sewer Capital improved Funds will be used for the FY 2019/2020 capital plan
- The Water & Sewer Capital drawdown is consistent with the Village's short-term capital funding strategy pending CLCJAWA rate relief
- Staff will work to raise the balance in the Capital Improvement Fund to \$1 million and try to maintain that level

Mr. Gosnell presented revenues by category on an all-funds basis noting the following:

- Revenues total \$77 million up \$364 thousand or 0.5% and are broken down into 8 categories
- Major Revenues category primarily consist of General Fund taxes, comprise 45.7% of all revenues
- Charges for Services makes up 20.9%, largest is water & Sewer charges and fire services and dispatch contracts
- Investments & Contributions is the 3rd largest category at 16.3% and includes Village pension obligations and investment income in the pension funds
- Other Sources category is 8.2% and includes the reimbursements from the IEPA loan and internal transfers
- Intergovernmental Revenue is 3.2% of all funds and is primarily JETSB reimbursement, MFT, and SAFR grant proceeds
- Fines and Forfeitures category is at 2.7%, and includes red light enforcement, police and code enforcement fines
- Taxes makes up 2.3% of total revenues and is comprised of R&B tax, franchise taxes, and resort tax
- Licenses & Permits accounts for 0.7% and is primarily business & liquor licenses and connection fees

Mr. Gosnell then reviewed the Major Revenues category in detail noting it is made up of the following revenue sources, and all but 50% of Home Rule Sales Tax is in the General Fund:

- Sales Tax
- Home Rule Sales Tax (Split 50/50 between the General Fund and Capital Improvement Fund)
- Amusement Tax
- State Income Tax
- Hotel Tax
- Food & Beverage Tax
- Local Use Tax
- Telecommunications Tax
- Building Permits

Mr. Gosnell reviewed expenditures by category on an all-funds basis and noted the following:

- Expenditures total \$73 million, up \$2.8 million or 4.0% and are broken down into 9 categories
- Salaries & Wages is 38.3% of all expenses and covers salaries, pensions, overtime
- Benefits is 16.5% and includes medical insurance, Village pension contributions, workers compensation insurance, and social security & medicare payroll expenses

- Capital totals 15.7% and includes the Knowles Tower, watermains, vehicles and building improvements, detailed in section 7 of the budget document
- Contractual Services is 14.5% and includes street resurfacing, water purchase from JAWA, Water tower maintenance, and auto maintenance
- Other Financing uses is 5.9% and includes Internal transfers, and rebate agreements
- Supplies is 2.6% and includes fuel, meter exchange program, salt, and auto parts
- Professional & Technical services is 2.6% and includes red light camera fees, financial & legal services, and consulting services including contractual employees
- Other contractual services is 2.2% and includes liability insurance, mosquito control and personnel training
- Debt service is 1.7% and includes debt service on the Village only GO bond and SSA#2

Mr. Gosnell reviewed changes in personnel included in the FY 2019/2020 budget including:

- Allocation changes for the Assistant to the Village Administrator position and Assistant Public Works Director/Village Engineer position
- Addition of intern in the Administrative and Community Development Departments
- Addition of 1 full-time and 0.25 part-time communications operators
- Addition of 6 firefighter/paramedics partially offset by grant funding

Mr. Gosnell reviewed the Village debt position noting the Village has one outstanding general obligation bond issue outstanding, series 2011, which expire in FY 2022/2023. Mr. Gosnell noted the SSA#2 bonds expire in FY 2020/2021 and the last payment on the Hunt Club Aquatic Center is included in the FY 2019/2020 proposed budget.

Mr. Gosnell reviewed projected ending fund balances as of 4/30/20 and noted the following:

- General Fund \$26.4 million or 62% of budgeted expenditures
- Capital Improvement Fund \$722 thousand
- Water & Sewer Fund \$4.7 million or 59% of budgeted expenditures

Mr. Gosnell reviewed the FY 2019/2020 capital plan included in Section 7 of the budget document and noted the plan totals \$14.9 million and is funded from 3 different funds; Motor Fuel Tax Fund, Capital Improvement Fund, and Water & Sewer Capital Fund. Mr. Gosnell reviewed the dollar amounts and percentage of each system in the capital plan.

- Water & Sewer System - \$6.58 million or 44.1% of capital plan expenditures
- Transportation System - \$5.02 million or 33.6%
- Vehicles & Equipment - \$1.81 million or 12.1%
- Buildings & Improvements - \$1.22 million or 8.2%
- Stormwater Management - \$300 thousand or 2.0%

Mayor Kovarik thanked staff for all their efforts in assembling the budget and noted it is on the regular agenda for approval.

H. PUBLIC COMMENT

None.

Trustee Ross motioned, seconded by Trustee Garner, to recommend approving the annual budget of the Village of Gurnee, County of Lake, State of Illinois, for the Fiscal Year beginning May 1, 2019 and ending April 30, 2020.

Roll call,

AYE: 5- Garner, Balmes, Hood, Thorstenson, Ross

NAY: 0- None

ABSENT: 1- Jacobs

Motion Carried.

Adjournment

It was moved by Trustee Garner, seconded by Trustee Thorstenson, to adjourn the Public Hearing.

Voice Vote: ALL AYE: Motion Carried.

Mayor Kovarik adjourned the Public Hearing at 6:54 p.m.

**Andrew Harris,
Village Clerk**