

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

**GURNEE VILLAGE HALL
JANUARY 4, 2021**

Call to Order

Mayor Kovarik called the meeting to order at 7:02 p.m.

Other Officials in Attendance

Patrick Muetz, Village Administrator; Bryan Winter, Village Attorney; Brian Gosnell, Finance Director.

Roll Call

PRESENT: 5-Hood, Ross, Garner, O'Brien, Balmes
ABSENT: 1-Thorstenson

Pledge of Allegiance

Mayor Kovarik led the Pledge of Allegiance.

A. APPROVAL OF CONSENT AGENDA

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

Roll call,

AYE: 5- Hood, Ross, Garner, O'Brien, Balmes
NAY: 0- None
ABSENT: 1- Thorstenson
Motion Carried.

B. CONSENT AGENDA / OMNIBUS VOTE

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

1. Approval of minutes from the December 21, 2020 meeting.
2. Approval of Ord. 2021 - 01 accepting the Public Improvements for the Wentworth of Gurnee development.
3. Approval of Communications Operator Brent Kuffel's request to participate in the Village's tuition assistance program in pursuit of an Associate's Degree in Criminal Justice from Gateway Technical College.
4. Approval of Payroll for period ending December 18, 2020 in the amount of \$821,048.00.
5. Approval of Bills for the period ending January 4, 2021 in the amount of \$505,830.31.

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

Roll call,

AYE: 5- Hood, Ross, Garner, O'Brien, Balmes
NAY: 0- None
ABSENT: 1- Thorstenson
Motion Carried.

C. PETITIONS AND COMMUNICATIONS

1. Approval of Proclamation designating January 18, 2021 as Dr. Martin Luther King, Jr. Day in the Village of Gurnee.

It was moved by Trustee Garner, seconded by Trustee O'Brien to approve a Proclamation designating January 18, 2021 as Dr. Martin Luther King, Jr. Day in the Village of Gurnee.

Voice Vote: ALL AYE: Motion Carried.

D. REPORTS

1. Presentation by Finance Director Brian Gosnell – Comprehensive Annual Financial Report for the Fiscal Year ending April 30, 2020.

Finance Director Brian Gosnell presented the following PowerPoint presentation:

Overview

Gosnell noted the audit is due 180 days after the close of the fiscal year (April 30) and the FY2020 audit was delayed due to late guidance on COVID related grants and staffing issues.

- Lauterbach & Amen – Independent Auditor
 - Timing
 - Independent Auditors Report - pg. 14
- Documents
 - CAFR
 - Management Letter
 - SAS 114 Letter
 - Single Audit Report

CAFR

Gosnell noted the different sections and provided a brief description of what is included in each section.

- Comprehensive Annual Financial Report
 1. Introduction (pg. 1-13)
 2. Independent Auditors Report (pg. 14-16)
 3. Management Discussion & Analysis (pg. 17-34)
 4. Financial Statements
 - Government-Wide Statements (pg. 35-38)
 - Fund Financial Statements (pg. 39-50)
 - Notes to the Financial Statements (pg. 51-102)
 5. Required Supplementary Information (pg. 103-116)
 6. Other Supplementary Information (pg. 117-144)
 7. Statistical Section (pg. 145-171)

Government-Wide Financial Statements

Gosnell outlined the information presented in the Government Wide Statements and the difference between those and Fund statements.

Governmental Activities

- Assets - \$114.0m (↓ \$4.2m)
 - Cash & Investments - \$27m (↓ \$2.5m)
 - Receivables - \$6.2m (↓ \$1.8m)
- Liabilities - \$54.8m (↓ \$5.3m)
 - Accounts Payable - \$1.7m (↓ \$1.1m)
 - Long-Term Debt - \$0 (↓ \$4.5m)
- Net Position - \$59.3m (↑ \$1.1m)

Business-Type Activities

- Assets - \$71.3m (↓ \$25k)
 - Cash & Investments - \$5.2m (↓ \$1.3m)
 - Receivables - \$1.9m (↓ \$1.6m)
 - Capital Assets - \$64m (↑ \$3.2m)
- Liabilities - \$7.6m (↑ \$290k)
 - Accounts Payable - \$1.1m (↓ \$1.7m)
 - Long-Term Debt - \$4.7m (↑ \$2.2m)
- Net Position - \$63.7m (↓ \$315k)

Governmental Fund Financial Statements

Gosnell noted Fund statements are comparable to traditional Balance Sheet and Income Statement reports by individual Fund and are the more traditional statements used to evaluate the financial health of a specific Fund.

- General Fund Balance Sheet – pg 39
 - Cash & Investments - \$22,932,712 (↓ \$1.6m)
 - Taxes Receivable - \$4,621,001 (↓ \$1.8m)
 - Big Four - ↓ \$1.2m
- General Fund Income Statement – pg 42
 - Revenues - \$42,343,856 (↓ \$141k)
 - Big Four - ↓ \$540k
 - Expenditures - \$43,335,882 (↑ \$1.6m)
 - Fund Balance - \$25,751,142 or 60.9% (↓ \$992k)
- Capital Improvement Fund
 - Cash & Investments - \$2,679,118 (↑ \$1.9m)
 - Revenues - \$6,057,796 (↓ \$522k)
 - HMR Sales Tax ↓\$202k
 - Sale of Assets - \$1.4m
 - FY19 \$1.5m surplus transfer
 - Expenditures - \$5,267,226 (↓ \$487k)
 - Fund Balance - \$3,066,745 (↑ \$790k)
- Other Governmental Funds
 - Motor Fuel Tax - \$512k

- Utilized in FY20
- Impact Fee Fund - \$918k
- PD Restricted Asset Forfeiture - \$162k
- Debt Service Fund - \$17k

Proprietary Fund Financial Statements

Gosnell noted the difference between Fund Balance and Net Position in proprietary funds and the importance of looking at unrestricted Net Position and Cash as a comparison to Fund Balance.

- Water & Sewer Fund – pgs 45-48
 - Cash & Investments - \$5,074,971 (↓ \$1.3m)
 - Knowles Tower & Capital Plan \$800k
 - Revenues - \$9,182,769 (↓ \$444k)
 - Expenditures - \$9,450,358 (↑ \$785k)
 - Net Position - \$58,830,788 (↓ \$268k)
 - Capital Assets - \$54,606,659
 - Unrestricted Net Position - \$4,224,129 or 51.5% (↓ \$1.3m)

Notes to the Financial Statements

Gosnell noted the information contained in the notes and highlighted the long-term debt and Pension sections.

- Note 2
 - Budgetary Information
 - Funds over Budget, also Management Letter
- Note 3
 - Deposits & Investments
 - Capital Assets
 - Long-Term Debt
- Note 4
 - Pensions & OPEB

Gosnell noted the notes include two funds that were over budget, the Golf Course Fund and the SSA#2 Fund. He noted the Golf Course Fund was over due to an emergency appropriation to keep the Course open during the COVID-19 shutdown and the SSA#2 Fund was over due to a budgeting error. Gosnell noted these are also the only two findings in the Management Letter.

Required Supplementary Information

Gosnell reviewed the information contained in the Required Supplementary information section of the CAFR and noted the schedule of Village contributions to the Police and Fire Pension funds. Gosnell specifically noted the over payments to each Fund and the historical investment returns in relation to the actuarial assumption.

- General Fund Budget to Actual – pgs 103-116
 - Pension & OPEB Detail
 - Employer Contributions – pgs 103-105
 - Additional Contributions Police & Fire
 - Historical Returns – pgs 112-113
 - OPEB Liability Schedule – pg 114

Other Information

Gosnell noted the Statistical Section shows a 10-year comparison of operating revenues and it is interesting to see how much the Village has changed over the last 10-years.

- Other Supplementary Information – pgs 117-144
 - Budget to Actual Schedules
 - Combining Statements
 - Grant Schedule
- Statistical Section (pg. 145-171)
 - 10-year Trends Financial & Operating

Gosnell noted the Police Pension Fund had approximately \$300 thousand at year end not covered by FDIC insurance and that was due to timing of money being moved to cover beneficiary payments and it was only for a matter of days.

Questions:

Trustee Hood asked what the current fund balance is in the General Fund.

Finance Director Gosnell stated with the recent pension payments, it is

down about \$2 million compared to what is presented in the CAFR, and expected to be around \$22 million at the end of FY2021.

Trustee Garner asked if the Village should be working to replenish the Debt Service Fund.

Finance Director Gosnell stated since the Village is general obligation debt free, it does not need to carry a balance in this fund.

Administrator Muetz added that in the upcoming proposed budget, the Debt Service Fund and Special Service Area #2 Fund will have no expenses and will be basically zeroed out as there is no outstanding debt. He continued to state the Debt Service Fund would only be used if the Village issued new general obligation debt and it currently does not have any plans to do that.

Trustee Garner asked if there are any timing requirements related to spending Asset Forfeiture Funds.

Finance Director Gosnell stated the only restrictions is the type of purchases, there is no restriction on timing that he is aware of.

Mayor Kovarik asked for clarification if seized vehicles that the Village incorporates into the fleet are reflected in the Asset Forfeiture Fund balance.

Finance Director Gosnell stated they are carried as assets in the Government-Wide statements but will not appear in the Asset Forfeiture Fund until it is sold or disposed of for monetary value.

Trustee Balmes stated her question is not related to the CAFR, but asked if there was any update on the State lifting current mitigation measures.

Administrator Muetz stated he spoke to the Illinois Municipal League a few weeks back and it believed the currently measures would not be extended beyond January 9th, however, in order to lift the current restrictions, the set metrics must be met, and currently Region 9 is only meeting three of the four metrics.

E. OLD BUSINESS None.

F. NEW BUSINESS None.

G. PUBLIC COMMENT None.

Closing Comments None.

Adjournment It was moved by Trustee Balmes, seconded by Trustee O'Brien to adjourn the meeting.

Voice Vote: ALL AYE: Motion Carried.

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

**Andrew Harris,
Village Clerk**