

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

**GURNEE VILLAGE HALL
SEPTEMBER 20, 2021**

Call to Order	Mayor Hood called the meeting to order at 7:00 p.m.
Other Officials in Attendance	Patrick Muetz, Village Administrator; Jack Linehan, Assistant Village Administrator; Gretchen Neddenriep, Acting Village Attorney; David Ziegler, Community Development Director; Brian Gosnell, Finance Director; Christine Palmieri, Director of Human Resources; John Kavanagh, Fire Chief; Brian Smith, Police Chief; Jeremey Gaughan, Police Commander.
Roll Call	PRESENT: 5- Balmes, Thorstenson, Ross, Garner, O'Brien ABSENT: 1- Woodside
Pledge of Allegiance	Mayor Hood led the Pledge of Allegiance.
A. APPROVAL OF CONSENT AGENDA	It was moved by Trustee Garner, seconded by Trustee O'Brien to approve the Consent Agenda as presented. <u>Roll call,</u> AYE: 5- Balmes, Thorstenson, Ross, Garner, O'Brien NAY: 0- None ABSENT: 1- Woodside Motion Carried.
B. CONSENT AGENDA / OMNIBUS VOTE	The Village Administrator read the consent agenda for an omnibus vote as follows: <ol style="list-style-type: none">1. Approval of minutes from the September 13, 2021 meeting.2. Approval of Ord. 2021 - 61 approving a three-year Service Agreement with Blackboard, Inc. related to the emergency mass notification system.3. Approval of Res. 2021 - 11 establishing certain property of the Village of Gurnee to be surplus (Fire Department Unit #1398).4. Approval of Payroll for period ending September 10, 2021 in the amount of \$861,687.08.5. Approval of Bills for the period ending September 20, 2021 in the amount of \$1,043,109.22. It was moved by Trustee Garner, seconded by Trustee Ross to approve the Consent Agenda for an omnibus vote as read. <u>Roll call,</u> AYE: 5- Balmes, Thorstenson, Ross, Garner, O'Brien NAY: 0- None ABSENT: 1- Woodside Motion Carried.
C. PETITIONS AND COMMUNICATIONS	<ol style="list-style-type: none">1. Approval of a Proclamation designating October 2021 as "Crime Prevention Month" in the Village of Gurnee. Mayor Hood read into record. It was moved by Trustee O'Brien, seconded by Trustee Thorstenson to approve of a Proclamation designating October 2021 as "Crime Prevention Month" in the Village of Gurnee. Voice Vote: ALL AYE: Motion Carried. Mayor Hood said that there were no discussion topics on the agenda for the September 27th Committee of the Whole meeting and asked the Trustees if they would like to cancel the meeting.

It was moved by Trustee Balmes, seconded by Trustee Thorstenson to cancel the Committee of the Whole meeting for September 27, 2021.

Voice Vote: **ALL AYE:** **Motion Carried.**

D. REPORTS

1. Presentation by Finance Director Brian Gosnell – Fiscal Year 2021/2022 First Quarter financial performance.

Gosnell presented the Village's financial position for the 1st quarter ending July 31, 2021. The presentation included the following:

- Cash & Investments
 - Total \$38.3 million (Excludes Pension Funds)
 - 37% Checking
 - 39% Money Market
 - 24% Investments
 - 65% General Fund
 - 13% Water & Sewer Funds
 - 13% Capital Improvement Fund
 - \$2m WWFPD Contribution
 - Remaining percentage spread across other funds
- 110-General Fund Summary
 - Total Revenues \$11.8 million
 - Total Expenditures \$8.9 million
 - Surplus/(Deficit) \$2.9 million
 - Notable Variances – Gosnell noted the only variance expected to continue through the remainder of the year is the Budgeted Use of Reserves as no entry is made for that revenue as it is simply a budgeted item reflecting the anticipated deficit for the year.
 - SAFER (Fire Department Staffing) Grant Timing
 - Investment Gains/Losses
 - Budgeted Use of Reserves
 - Liability & Workers Compensation Insurance
- Big Four Revenues were presented in total (Sales, Amusement, Food & Beverage, and Hotel Taxes). Gosnell reviewed the updated format of the presentation noting the following:
 - 53% of General Fund Revenues
 - Annual Budget \$22.8 million
 - Year-To-Date \$6.5 million
 - +80% vs Last Year
 - +10% vs. FY2020 (Normal Year)
 - +42% vs. 5-Year Average
 - +20% vs. Adjusted Budget
 - +14% vs. Straight Line Budget
 - 28% of Total Budget
- Sales Tax and Home Rule Sales Tax
 - Annual Budget \$16.5 million
 - Year-To-Date \$4.4 million
 - +45% vs Last Year
 - +14% vs. FY2020 (Normal Year)
 - +39% vs. 5-Year Average
 - +18% vs. Adjusted Budget
 - +6% vs. Straight Line Budget
 - 27% of Total Budget
- Amusement Tax
 - Annual Budget \$2.9 million
 - Year-To-Date \$1.1 million
 - +414% vs Last Year
 - +9% vs. FY2020 (Normal Year)
 - +41% vs. 5-Year Average
 - +39% vs. Adjusted Budget
 - +44% vs. Straight Line Budget
 - 36% of Total Budget
- Food & Beverage Tax
 - Annual Budget \$1.8 million
 - Year-To-Date \$588 thousand
 - +119% vs Last Year
 - +7% vs. FY2020 (Normal Year)
 - +41% vs. 5-Year Average
 - +18% vs. Adjusted Budget
 - +30% vs. Straight Line Budget
 - 33% of Total Budget

- Hotel Tax
 - Annual Budget \$1.5 million
 - Year-To-Date \$457 thousand
 - 31% of Total Budget
 - +280% vs Last Year
 - -14% vs. FY2020 (Normal Year)
 - +77% vs. 5-Year Average
 - +10% vs. Adjusted Budget
 - +24% vs. Straight Line Budget
- 221&223-Water Fund Summary, Gosnell noted the following related to the Water & Sewer Operating and Capital Funds:
 - Total Revenues \$2.2 million
 - Total Expenditures \$1.8 million
 - Surplus/(Deficit) \$463 thousand
 - Notable Variances, Gosnell noted none of the variances was expected to carry through the end of the year.
 - Charges for Service Seasonality, Gosnell noted there is a 2-month lag between water usage and billing when it shows up as revenue.
 - Investment Gains/Losses
 - Liability & Workers Compensation Insurance
 - IEPA Loan Timing
- Water Usage, Gosnell presented statistics on water purchases from CLCJAWA, noting it was a leading indicator for revenues due to the 2-month lag. Gosnell reported the following pertaining to water purchased from CLCJAWA:
 - +41.3% vs. FY2021
 - +16.4% vs. FY2020
 - Q1 Precipitation
 - Down 62% from FY21
 - Down 72% from FY20

Trustee Thorstenson asked which revenue sources make up the overall positive variances in the Big Four and if the trends are expected to continue through the year.

Gosnell noted the majority of the increase was from Sales Taxes. Gosnell said he is hesitant to say the strength in Amusement Taxes will carry through the year based on the timing and promotion of season pass sales. He continued to state he expects Food & Beverage to remain flat versus a normal year and Hotel Tax to continue to underperform as that industry was expected to have a slower recovery given the nature of large gatherings.

Gosnell then briefly discussed the budget amendment under New Business noting that the Village auditors, Lauterbach & Amen, suggested a final budget amendment to clear up the over budget issue in the draft management letter. Gosnell noted the overages were in the Motor Fuel Tax Fund and SSA#2 Fund.

The Motor Fuel Tax Fund overage was due to the change in using restricted state funding for the Stearns School Road bridge project rather than unrestricted funds.

The SSA#2 overage was due to a closeout transfer to the General Fund to reimburse the Village for Administrative expenses in administering the SSA. Gosnell noted State Statute allows for the Village to charge roughly \$10 thousand annually, however the Village has never charged the SSA for anything and the excess in the Fund is due to transfer from the General Fund to cover costs such as Bond Counsel and Paying Agent fees over the years.

E. OLD BUSINESS

None.

F. NEW BUSINESS

1. Approval of Ord. 2021 - 62 amending the Annual Budget of the Village of Gurnee, County of Lake, State of Illinois, for the Fiscal Year beginning May 1, 2020 and ending April 30, 2021.

Administrator Muetz said this budget amendment addresses last year's budget and addresses two funds that exceeded the annual budget. The Motor Fuel Tax Exceeded budget by \$347,149 due to the unanticipated payment for the 1st installment of the Village's share of the Stearns School Road overpass project. The Village originally budgeted this payment in the 131-Capital improvement

Fund however the project was eligible to be paid for by Rebuild IL (State Capital Bill) funding out of the 122-Motor Fuel Tax Fund. The SSA#2 Fund pays the bond payments and fees on the SSA#2 bonds that expired in FY2020/2021. The Fund had a remaining balance of \$7,900.34. Staff transferred the remaining balance to the 110-General Fund to close out the Fund and reimburse the Village for a small fraction of the allowable reimbursement for administration of the SSA.

Trustee Thorstenson said her recollection is Director Galan was able to confirm the Rebuild IL funding could be used to pay the Village's share of the Stearns' bridge cost. She stated this was excellent work on Galan's part.

It was moved by Trustee Ross, seconded by Trustee Balmes to approve of Ord. 2021 - 62 amending the Annual Budget of the Village of Gurnee, County of Lake, State of Illinois, for the Fiscal Year beginning May 1, 2020 and ending April 30, 2021.

Roll call,

AYE: 5- Balmes, Thorstenson, Ross, Garner, O'Brien

NAY: 0- None

ABSENT: 1- Woodside

Motion Carried.

2. Approval of Ord. 2021 - 63 approving a Small Business Capital Investment Grant Program.

Administrator Muetz said this was discussed at the last Village Board meeting. As a reminder, \$250,000 has been initially allocated for the program which qualifying businesses can apply for to receive matching grants, up to \$10,000, to be used for durable capital improvements. To qualify the business must remit either sales, amusement, or food & beverage tax to the Village and cannot be part of a larger franchise (20 locations or more). The program will be retroactive to January 1, 2020 and will continue until 2024. Director Dean is working on a formal application and Frequently Asked Questions list. The program will go live October 1st and staff will report progress to the Board on a quarterly basis.

Trustee O'Brien asked if salons would be eligible since they are a service provider.

Administrator Muetz said the ordinance states that local businesses that remits sales, food & beverage or amusement tax are eligible. If a salon sells products that generate sales tax and is not part of a larger franchise, he is of the opinion it would be eligible.

It was moved by Trustee Balmes, seconded by Trustee Garner to approve of Ord. 2021 - 63 approving a Small Business Capital Investment Grant Program.

Roll call,

AYE: 5- Balmes, Thorstenson, Ross, Garner, O'Brien

NAY: 0- None

ABSENT: 1- Woodside

Motion Carried.

3. Approval of Ord. 2021 - 64 authorizing the waiver of certain Phase 1 building permit fees for the proposed development of an Advanced Technology Center by the College of Lake County at 7735 Route 132, Gurnee, Illinois.

Administrator Muetz said the College of Lake County purchased the former Lowe's building and is working to transform it to its Advanced Technology Center. The new space will accommodate hands-on, state of the art instruction in automation, robotics and mechatronics, computer numerical control (CNC), welding, and industrial maintenance. Phase 1, with a construction value of \$18,500,000, calls for demolition of the existing garden center, site utilities work, and buildup of approximately 59,000 square feet of the building. Building permits for Phase 1 are estimated to be \$110,000. CLC has a written request for waiver of the full permit fee. In consideration of past practice as well as the considerable staff time

required to review plans and inspect the property for safe occupancy over time, staff proposes a building permit waiver of 50%. Water/sewer connection fees, as well as Lake County Public Works fees, will be paid in full.

It was moved by Trustee Garner, seconded by Trustee Thorstenson to approve of Ord. 2021 - 64 authorizing the waiver of certain Phase 1 building permit fees for the proposed development of an Advanced Technology Center by the College of Lake County at 7735 Route 132, Gurnee, Illinois.

Roll call,

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

4. Approval of request from Kensington Development Partners to pay fee-in-lieu of in the amount of \$18,000.00 for 45 replacement trees at 7735 Route 132, Gurnee, Illinois (Cooper's Hawk).

Administrator Muetz said Kensington Development Partners is requesting a reduction in plant material in the Grand Avenue and Rollins Road buffer yards related to the future Cooper's Hawk restaurant. A total of 45 trees are being removed from both buffer yards. The level of landscaping that was installed on the site with the Lowe's development, especially with the growth over the past 14 years, does not provide opportunities to replant replacements back on-site. Therefore, Kensington Development Partners is requesting to pay a fee-in-lieu for the replacements. Per the Village Forrester, a 3-inch caliper canopy tree has a replacement value of \$400, resulting in a fee-in-lieu amount of \$18,000.

It was moved by Trustee Ross, seconded by Trustee Garner to approve of request from Kensington Development Partners to pay fee-in-lieu of in the amount of \$18,000.00 for 45 replacement trees at 7735 Route 132, Gurnee, Illinois (Cooper's Hawk).

Roll call,

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

5. Approval of Police Department's recommendation to retire K-9 Hunter and transfer ownership to Officer Phil Mazur.

Administrator Muetz stated staff anticipates K-9 Officer Phil Mazur will be submitting his resignation from the Gurnee Police Department within the next week or so as he is expected to take a job as a Police Officer in Arizona. Officer Mazur's is K-9 Hunter's handler. K-9 Hunter has been with the Department for 7 years and is approaching the end of his useful service life. Historically when K-9s reach the end of their useful service life, the handler assumes ownership/all responsibility for the K-9 and they are kept as a family pet. With Officer Mazur expected to resign while Hunter still has some service life in him, staff believes it makes sense to retire Hunter and transition ownership to Officer Mazur. Given the amount of time Mazur and Hunter have worked together as well as Hunter's age, Hunter would not transition to a new handler. Further, the Police Department currently does not have anyone trained as a K-9 handler. Officer Mazur will be required to sign a purchase/hold harmless agreement protecting the Village and stating Hunter will not be used by another police agency.

It was moved by Trustee Garner, seconded by Trustee Balmes to approve of Police Department's recommendation to retire K-9 Hunter and transfer ownership to Officer Phil Mazur.

Roll call,

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

6. Approval of issuing a Class 1 Liquor License to Diane Walker for the operation of Tonya's Savvy Events and Banquet Hall – 5101 Washington Street.

Administrator Muetz said Tonya's Savvy Events & Banquet Hall is proposing to open at 5101 Washington. Savvy Events will be occupying two spaces – combined into one – for a total of 3,000 square feet in the section just east of Chocolate Sanctuary. Diane Latonya Walker, owner, has previously catered events up to 50 people at the Hampton Inn and has secured this space in order to be able to accommodate events of 100+. Savvy provides all linens, dishware, and décor needed for an event; customers provide their own food. A liquor serving station will be set up in the rear of the space with liquor served by a bartender. The event space is expected to be open primarily on weekends, available for bookings in 4-hour blocks, ending by 1:00AM. This tenant space already includes restroom facilities, and plans – working in coordination with the property owner - involve addition of a sink dedicated for dishwashing. Ms. Walker holds an Events Management/Planning Certification from the College of Lake County. The Police Department has conducted all of the necessary background checks and finds nothing to preclude issuing the license.

It was moved by Trustee Thorstenson, seconded by Trustee O'Brien to approve of issuing a Class 1 Liquor License to Diane Walker for the operation of Tonya's Savvy Events and Banquet Hall – 5101 Washington Street.

Roll call,

AYE: 5- Balmes, Thorstenson, Ross, Garner, O'Brien

NAY: 0- None

ABSENT: 1- Woodside

Motion Carried.

7. Approval of Ord. 2021 - 65 removing one Class 1 and two Class 7 Liquor Licenses by amending Section 6-56 of Article II of Chapter 6 of the Gurnee Municipal Code entitled "Alcoholic Beverages."

Administrator Muetz said on an annual basis following liquor license renewals staff conducts a reconciliation to ensure the number of licenses allowed per the Municipal Code matches what it issued. This ensures that any new requests for liquor licenses must be considered by the Village Board. To match the code and licenses issued we need to remove one Class 1 license and two Class 7 licenses. This is a result of the Lake County Federation of Teachers no longer wanting a license (Class 1), as well as removing the Class 7 licenses previously held by Royal Thai and Aha Sushi.

It was moved by Trustee O'Brien, seconded by Trustee Balmes to approve of Ord. 2021 - 65 removing one Class 1 and two Class 7 Liquor Licenses by amending Section 6-56 of Article II of Chapter 6 of the Gurnee Municipal Code entitled "Alcoholic Beverages."

Roll call,

AYE: 5- Balmes, Thorstenson, Ross, Garner, O'Brien

NAY: 0- None

ABSENT: 1- Woodside

Motion Carried.

G. 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 Hood adjourned the meeting at 7:25 p.m.

**Andrew Harris,
Village Clerk**

