

**Minutes of the
Finance Committee Meeting
Of
October 19, 2016**

Attendees:

Trustee Don Jensen – Committee Chairperson
Peggy McHugh – Finance Director
Jon Kindseth – Village Administrator
Mayor John Hucker

Trustee Regina Miller - Member
Trustee Linda Sittig - Member
Sandi Pastell – Administrative Assistant

Guests: George Balis – Clarke Environmental

Joy – BP Gas Station	Prashant – BP Gas Station
Adeel – Citgo	Bill Reidel
James – Marathon	Irshad - Mobil

Roll call was taken and the meeting brought to order at 6:02 p.m.

Points of Action: Chairman Jensen then asked if there were any updates to the Points of Action from the September 21, 2016 meeting. Jon Kindseth stated there are no new updates.

September 21, 2016 meeting minutes: Chairman Jensen then asked for a motion to approve the September 21, 2016 meeting minutes. Trustee Sittig asked Jon Kindseth for an update on the payments from G & S. Jon Kindseth stated that they are getting back on track and that he is keeping a close eye on it. Trustee Sittig then made a motion to approve the September 21, 2016 meeting minutes. Chairman Jensen seconded. Upon voice vote the September 21, 2016 minutes were approved unanimously.

Clarke Environmental Mosquito Control: Chairman Jensen then moved the discussion to mosquito control and Mr. George Balis was introduced. Mr. Balis explained the video that all of the members were supplied with. Mr. Balis stated that they work with both the CDC and the EPA. Mr. Balis stated that they can supply educational information to the Village for their residents and stated that they recently flew over the Village about a month ago and they checked nine (9) times for larva and the Village is okay. Mr. Balis also stated that the Village does not have a contract for trapping and that only one (1) community in the area has traps. Mr. Balis stated that they treat any area where larvae are located. Mr. Balis stated that they perform two (2) adult sprays within Beach Park, Zion and Wadsworth. Mr. Balis stated that they can notify residents of the sprays and there is also an 800 number for residents to call to report any standing water.

Mr. Balis stated that the Village has not increased the cost of their program since 2006 with the exception of Cambridge. He stated that the last inspection was on September 13th and that the highest larva count was on September 30th due to having such a warm season. Mr. Balis stated that the Village has a lot of miles and has an adult mosquito contract in which the program is for three (3) years and we have just completed year two (2). Chairman Jensen asked how we know how effective the treatment is if there is not a before and after count. Mr. Balis stated that any community that has traps gets that information and seeing that the Village does not have traps they cannot provide us with that information. Mr. Balis stated that the closest traps to our Village would be Gurnee and the Lake County Health Department collects traps three (3) times a week. Chairman Jensen asked if the mosquitos that carry the Zika virus are in this area and Mr. Balis advised the Committee that they are in Cook County but not our area; however, the biggest risk in this area is West Nile. Mr. Balis stated that they spray during the peak season; however, they cannot tell us how many mosquitos there are before they spray compared to after they spray.

Trustee Sittig stated that in her area she has never noticed a difference after the spraying. Mr. Balis stated that he sits with Gene and Gina every three (3) years to go over the maps to locate all of the ponds and that he has no problem with bringing the maps in and going over it with staff. Mr. Balis stated that at the present time, the

Village has 90 sites. Mr. Balis also stated that he sends Gene and Gina monthly reports; however, he can also send to Jon and any of the Trustees that would be interested in them. Chairman Jensen asked if we could do a joint agreement with our neighboring communities. Mr. Balis explained that they pretty much do regional coordinating. Chairman Jensen stated that maybe we could do a joint agreement with Zion and Waukegan to share the expense of traps. Trustee Miller asked if they spray every street in the Village and was told that yes, they do. Chairman Jensen asked if he has some educational information that we could put on our website and Mr. Balis stated there is and he will get that to us as well as tips to the homeowners to help with the mosquitos. Jon Kindseth asked if we can obtain the reports that the Lake County Health Department had received and Mr. Balis said absolutely. Trustee Sittig stated she would still like to see something in writing showing that their product works. Mr. Balis stated that we can find that through EPA Registration which states that within 300 feet of the spray the product they use kills 60 to 90% of the mosquitos and yes, we can obtain that information from the EPA.

Jon Kindseth asked if the chemicals can be toxic to bees. Mr. Balis stated that yes, it can be; however, they do not spray during the times that bees are active and that the chemical does not linger on the plants, etc. long enough to have an effect on them and the dosage they use will not kill them as it breaks down very quickly so they cannot carry it back to the hives. Chairman Jensen said that anything he can do to reassure us that it is worth the expense would be greatly appreciated. Mr. Balis stated he will work on that for the Committee and will also provide us with some educational material for our website. Chairman Jensen and the Committee thanked Mr. Balis for his time as it was greatly appreciated by all.

Gas Station Sales Information: Chairman Jensen then moved the discussion to the sales information from the gas stations. Chairman Jensen discussed the agenda supplement that was provided to the Committee in the packet and the spreadsheet that was provided by the gas stations and stated that it was somewhat confusing. Joy from BP handed out a different spreadsheet. Chairman Jensen stated that this Committee has already addressed this issue and a vote was taken whether to bring their issue back to the Board and it was voted 2 to 1 that the Ordinance will stay in effect as written so he does not want to bring false hope to the owners attending this meeting. Joy from BP went through the spreadsheet he provided showing inside sales from 2014 to 2016 and does not include gas. Joy said since the Ordinance change to not allow them to sell hard alcohol he has been losing money, including lottery as well as a loss in customers. Jon Kindseth stated that what jumps out at him is that his sales are already down in September and that they have to look at it as a trend in the month of September as sales are typically down and that it could be a cycle. Jon Kindseth stated that sales tax is cyclical and spikes throughout the year and that September may be a lower month. Jon Kindseth asked Joy how he knows he is losing customers and Joy stated that they can produce a count off of the transactions and credit cards as well and it shows a decrease.

Joy then went through other figures such as Miller, Phillip Morris, Frito Lay and states all of these sales are down because he cannot sell hard alcohol. Joy stated his chip sales are down 20%, down 8% on donuts and he is down 14% in Budweiser sales. Trustee Sittig asked if he is selling beer and Joy said no because consumers come to the counter with their purchases and ask for a bottle and because they cannot sell it, they leave all of the purchases on the counter and walk out. Adeel from Citgo stated he has lost \$38,000.000 in a month and that his customers are going elsewhere. Mayor Hucker asked where he thinks the consumers are going. Adeel and Joy said that his friends are saying they are going to Winthrop Harbor and Waukegan. Mayor Hucker asked Joy if he has another station in Waukegan and that he does not sell alcohol at all and is running successfully. Joy said he is not selling alcohol because it is near a school and that he is now leasing it out. Adeel stated to Mayor Hucker that they are not trying to be a liquor store but they need to sell hard alcohol to survive. Trustee Miller said that they can sell beer and wine and how can they say they are not trying to be a liquor store when they are stating that without hard alcohol they cannot be successful. Trustee Miller stated that she still supports the Ordinance as is as they have not given them anything to change their minds. Trustee Sittig stated that she agrees with Trustee Miller.

Trustee Miller stated that the Board is trying to change the liquor stores and as a Board they made a decision and where were they six (6) months ago to argue their point. Trustee Sittig stated that this was brought up to a recently new owner that the Ordinance was going to change and there was no issue. Adeel stated that they were never informed that there was going to be a change otherwise they would have been to every meeting. Bill Reidel asked what are the best interests for the community. Trustee Sittig stated that the amount of hard alcohol that was being sold in the gas stations just put more drivers on the road, possibly drinking in their vehicles. Bill Reidel

said to show them what they did to deserve this, what were the violations to take this away. Mayor Hucker said that it has nothing to do with any violations and that it was a Board decision. Mayor Hucker explained that governments make changes that effect small businesses every day and that those small businesses must adapt to the change. Bill Reidel said that the Board is trying to legislate morality and that none of these stations have any violations. Mayor Hucker again reiterated that this has nothing to do with violations and further explained that at one time the stations were not even allowed to sell alcohol at all. Mayor Hucker stated that under another Mayor, that changed and they were allowed to sell beer and wine only and then one of the gas stations complained and they were allowed to sell hard alcohol and the Board felt it was time to put the gas stations back to beer and wine only as it is ours to legislate. Mayor Hucker stated that the Board has had many opportunities to change their minds and they have not. Mayor Hucker stated that in no way was this meant to harm. Mayor Hucker stated that for the second time this Committee has said not to change it. Trustee Miller asked Mayor Hucker if we have received issues from the Sheriff's Department. Jon Kindseth stated yes, the Sheriff's Department said that Citgo had an unruly crowd and that they back the Village in their decision to pull hard alcohol from the gas stations. Jon Kindseth stated that the Sheriff's Department said that gang members would frequent that station and this Ordinance was also put into place in hopes to change the clientele. James said that he has a BP in Zion that does not sell alcohol and he still has problems.

Mayor Hucker stated that the Sheriff's Department would tell the Village that they would run plates and it was a continual stream of gang members and well known criminals. Mayor Hucker stated that since Adeel has taken over and we no longer allowed him to sell alcohol 24 hours, there have been no issues.

Jon Kindseth stated to the owners that they certainly are not losing \$33,000.00 a month and Adeel said they make a 22 to 25% profit margin. Bill Reidel said that the mini mart owners were not notified that this change was going to be made and that when Mayor Jensen was here he was all about business but not this Board. Bill Reidel stated that the notice was poor and he is well aware that having a liquor license is a privilege but so is having a driver's license but he doesn't expect his to just be revoked. Mayor Hucker stated that it was discussed to not allow the gas stations to sell alcohol at all; however, the Board decided that they should be able to sell beer and wine. Mayor Hucker stated that the Board felt it needed to be changed and that the issue has been discussed for over a year and it was discussed in public meetings that are well posted; however, we did not send letters to the business owners. Bill Reidel said you should have and that it was very poorly done; however, he knows that they are not going to change their minds. Jon Kindseth explained that with this change we can have more control over the liquor stores as we only have five (5) instead of thirteen (13). Jon Kindseth addressed Mr. Reidel and told him that there was no notice given when we allowed the gas stations to sell alcohol 24 hours a day and that that gave a disadvantage to the legitimate liquor stores. Mayor Hucker stated that the Board did not look at one or the other and certainly did not have any favoritism. Adeel then stated that Sandi sent an email regarding a meeting and that she called Cardinal Liquors and told them to come in and speak against the gas stations. Sandi said absolutely not that she was advising every one of the meeting and that Cardinal had asked to be notified if a meeting was to occur. Trustee Sittig said that is enough, thank you for coming.

Chairman Jensen said thank you all for coming; however, they are not going to see a change to the Ordinance but they can come to the next Board meeting. Mayor Hucker said that he told all of the owners in a meeting he had with them to contact each Trustee individually and asked if they did that. Adeel stated they had and the only one to respond was Trustee Sittig and that she was not going to change her mind. Mayor Hucker stated that he has spoken to each Trustee and that they have not heard anything to change their minds. Mayor Hucker said that unless they find the votes to change it, he cannot do anything. Adeel said that at the end of the day they have families to support and Irshad said they should get their full license back. Bill Reidel stated that the Committee has given them a chance to talk; however, it is time to leave. The Committee thanked them for coming.

Monthly Finance Report: Chairman Jensen then moved the discussion to the Monthly Finance Report. Chairman Jensen said that it's a good thing that we are now showing a surplus in the three TIF Districts. Jon said that the highlight is that they are all profitable. Discussion was had in regards to the TIF Districts. Peggy McHugh stated that the depreciation consists of the water lines and equipment. Jon Kindseth explained that Peggy put in the depreciation so that we can have a discussion for a sinking fund. Chairman Jensen said that the next time we look at water rates, we should consider an increase to help with the fund. Chairman Jensen asked about the negative in Parks and Rec and Peggy stated that is a timing issue.

Annual Comptroller Reports/AFR and TIF: Chairman Jensen then moved the discussion to the annual comptroller report, AFR and the TIF. Peggy said that this is what we upload to the Comptroller's office. Peggy McHugh explained to the Committee that they can go to the Comptroller's website and compare our municipality to another. Peggy also stated that the audit is there as well as the TIF reports. Peggy McHugh advised the Committee that Tom Bayer told her that it has been 7 years for the Wadsworth/Lewis TIF and there has been no redevelopment activity and that we need to have some activity by September 2017. Jon Kindseth stated that we should have Gladstone Square soon as they are requesting a Façade Grant for new signage and that Bridgeview Bank may be doing the same.

Continuing Disclosure: Chairman Jensen then moved the discussion to the continuing disclosure. Chairman Jensen stated that this is really just a housekeeping item and asked if the bond holders will have an issue with this and was advised they will not. Jon Kindseth stated that he is just looking for a recommendation from this Committee to forward to the Board for approval. Chairman Jensen stated that he is all for it as well as Trustee Sittig. Trustee Miller asked to have this explained as she was absent at the last meeting when it was discussed. Jon Kindseth explained it to her and she is in agreement to forward to the Board.

New Business: Chairman Jensen then moved the discussion to new business. Chairman Jensen asked about the Utility Audit and Peggy McHugh said that we are getting closer. Jon Kindseth stated that with North Shore Gas they found 280 address and 18 that were incorrectly coded and should have been Beach Park. Jon Kindseth stated that on the electric side, they found 219 and 139 should have been Beach Park and that we are still working on it. Chairman Jensen then asked about Comcast and Jon Kindseth stated he is still working on it. Chairman Jensen then asked about the Marketing effort and Jon stated that we just received the \$50,000.00 bill that we will be paying and then generating the invoices to Zion and Winthrop Harbor and they are also laying the ground work for the website. Chairman Jensen would also like an update on the total amount we have collected with IDROP.

Mayor Hucker wanted to let the Committee know that he is working with our legal counsel to see if we have the ability to hold back building permits if a resident owes us on a water bill or a sewer bill. Mayor Hucker stated he will keep the Committee posted. Mayor Hucker had a discussion in regards to elected officials' salaries. Chairman Jensen asked if there was any further new business. Hearing none and there being no further public comment, Chairman Jensen then advised that the next meeting will be on Wednesday, November 16, 2016 at 6:00 p.m.

Adjourn: Chairman Jensen then asked for a motion to adjourn. Trustee Miller made the motion. Trustee Sittig seconded. Upon a voice vote, the motion was approved unanimously. The Finance Committee meeting was adjourned at 8:10 p.m.

Next Finance Committee Meeting: Wednesday, November 16, 2016 at 6:00 p.m.