

**MINUTES OF THE WARREN – WAUKEGAN FIRE PROTECTION DISTRICT
GURNEE STATION #2**

Wednesday, November 15, 2011

President DeRuntz called the meeting of the Board of Trustees of the Warren-Waukegan Fire Protection District to order at 7:30 p.m.

Trustees Present: John Badtke, Phil DeRuntz, Martin Klauber

Other Officials Present: Linda E. Spring, Attorney

Others Present: Angela Moreno, Recording Secretary
Fred Friedl, Fire Chief, Gurnee Fire Department
John Kavanagh, Deputy Chief, Gurnee Fire Department
Steve Carlson, County Board Member
Doug Taveirne, Dam, Snell & Taveirne, Ltd.
Courtney Rios, PMA Financial
Terry Cox, M.E.S.S.
Brad Peterson, Gurnee Resident
Larry Jones, Wadsworth Resident
Laura Coletta, Wadsworth Resident
Tony Coletta, Wadsworth Resident
Sandra Venturi, Wadsworth Resident
Arthur Venturi, Wadsworth Resident
Carol Unhedt, M.E.S.S.
Tom Borecki, Wadsworth Resident
Mary Borecki, Wadsworth Resident
Kathy Masucci, District Resident
Ernie Masucci, District Resident
Ronald Wyncott, Wadsworth Resident

THESE MINUTES ARE NOT A VERBATIM ACCOUNT, EXCEPT WHERE OTHERWISE NOTED.

Public Comment: President DeRuntz welcomed the residents in attendance and explained the public comment rules and procedure. Several residents indicated their desire to address the board:

- Brad Petersen - Stated that he commends the work of the Gurnee Fire Department and asked the Board where the balance is, stating that taxpayers are having a tough time and the Gurnee Fire Department seems to be having a great time and getting a sweet deal.
- Larry Jones – Stated that he holds a state assessment license and has experience with tax appeals. He stated that if there is an over abundance of funds in the District’s budget and it’s not being returned to the taxpayers it is of interest to him. He noted he owns Wadsworth Realty. He stated that concerns are being raised regarding excess money and

stated he would appreciate the ability to comment during the discussion later in the agenda.

- Mike Hughes – Asked if the board has the ability not to levy a tax if there is extra money, Trustee Klauber responded to his question by stating that the board understands the concerns of the residents and that he believes that their concerns will be addressed tonight.
- Richard Cappocioni – Stated he can't understand how the levy can be for \$3.5 million per year when the cost of services is \$2.5 million per year, asked the Trustees how they can charge taxpayers, and asked if they are empowered to give the taxpayers a refund. Trustee Badtke responded by saying that there will be a levy proposal this evening to reduce the levy by \$2 million as well as a proposal to give about \$1 million in equipment to the Village of Gurnee for the fire department, and he questioned whether the fire department needs it stating he doesn't believe they asked for it. He stated that it is his opinion is that the reduction of the levy by \$2 million is not enough and he would like it reduced to zero for this year instead of giving the equipment to the fire department.
- Ernie Masucci – Stated that the little facts they have don't give residents much to comment on, however it seems simple that the trustees are giving away equipment, which he doesn't believe is the best idea. He stated that his neighborhood does not have fire hydrants and questioned whether a project like that might be a better use of money. He also suggested a refund to taxpayers would also be preferred.
- Tony Coletta – Inquired whether it is too late for the residents to address the board about this issue. President DeRuntz stated that nothing has been adopted yet and there will be action taken later this evening.
- Laura Coletta – Inquired as to whether residents could give the board suggestions, such as fire hydrants, and President DeRuntz stated that residents can contact the trustees at any time. She inquired as to whether the trustees are elected or appointed and President DeRuntz informed her they are appointed by the Lake County Board.
- Ronald Wyncott – Stated that during these economic times that those who pay the most for services utilize them the least. He stated that if Gurnee wants a fire truck they should hold a pancake breakfast.
- Tom Borecki – Asked whether the available funds are enough to consider hydrants in neighborhoods where there are currently no hydrants. Steve Carlson, Lake County Board, responded that he spoke with Peter Kolb, Director of Lake County Public Works, who informed him that hydrants require a water system, and that the cost is approximately \$40,000 per residence. Lake County will not install them without a water system. He noted that fire hydrants are not within the purview of this board.
- Tony Coletta – Requested to know who's in charge of making the list of how to spend the district's money. President DeRuntz explained the budget process and directed Mr. Coletta to the website for more information.
- Richard Cappocioni – Inquired about whether dry hydrants are an option for neighborhoods with no hydrants. Chief Friedl stated that those types of systems are left up to homeowners associations to consider and implement.
- Ernie Masucci – Inquired as to whether the fire department currently has the resources to respond to a fire in a neighborhood without hydrants. Chief Friedl explained how mutual aid works with other departments that would respond and assist. Deputy Chief Kavanagh

explained that fire service, by design, relies on the mutual aid system which is more economical and very effective.

- Laura Coletta – Suggested that perhaps instead of the new engine that is proposed to be purchased for the Gurnee Fire Department a new tanker could be considered, which would help address the need for the neighborhoods without hydrants. Deputy Chief Kavanagh responded stating that the engine that is proposed holds 750 gallons of water plus a Class A foam system that is added to the water that assists in putting out the fire and triples the effectiveness of water. He stated that essentially means the engine is arriving on the scene with just over 2,000 gallons of water.
- President DeRuntz stated that he is extremely proud of the work of the Gurnee Fire Department.
- Larry Jones – Inquired as to how buying a new truck is going to benefit the taxpayers and what the return is. He stated that the district has a problem with having too much money and there are ways for the taxing body to return the money, which is what a majority of residents want. Trustee Badtke stated that the district relies on the fire department to determine their needs, and that the Village of Gurnee has not recommended the purchase of the equipment proposed for purchase this evening. Instead, he said, the board asked the department what they need, and now the district is offering more.

Approval of Minutes: Trustee Klauber made a motion to approve the September 21, 2011 regular meeting minutes as submitted. Trustee Badtke seconded the motion.

AYES: Badtke, DeRuntz, Klauber

NAYS: None.

Motion carried.

REPORTS

President's Report: President DeRuntz thanked Chief Friedl for the information provided to the trustees regarding the purchase proposals.

Treasurer's Report: Trustee Klauber stated he is working on getting all of the bank statements, however Consumer's Credit Union still will not provide him with the information requested. He presented the Treasurer's reports for November 15, 2011 (see attached).

Trustee Klauber reported that the Illinois Funds account has approximately \$3.2 million and the MaxSafe CD's at the Libertyville Bank and Trust have approximately \$2 million.

Trustee Badtke made a motion to approve the Treasurer's Reports pending audit. Trustee Klauber seconded the motion.

Trustee Badtke noted for the record that the district's total account balances are \$6,791,326.

AYES: Badtke, DeRuntz, Klauber

NAYS: None.

Motion carried.

Trustee Klauber listed proposed expenditures in the amount of \$668,165.99. He noted that he erroneously listed Kathy Moran to be paid for the September secretary duties, it should read Angela Moreno. Also, there is a tax withholding due to the IRS in the amount of \$159.75 which is due as a result of paying a trustee mid-year.

Trustee Badtke stated that the Village of Gurnee payment should be changed to reflect it being the 2nd quarter payment and provided Trustee Klauber with the newest invoice which he received since the last meeting. Trustee Klauber noted the amount is the same so there is no additional vote necessary to change that. Trustee Klauber requested that correspondence received by other Trustees be forwarded to him in a timely manner.

Trustee Badtke made a motion to approve the proposed expenditures. Trustee Klauber seconded the motion. A roll call vote was taken.

AYES: Badtke, DeRuntz, Klauber

NAYS: None

Motion carried.

Secretary's Report: There was no report.

Fire Chief's Report: Chief Friedl thanked the board for the opportunity for the fire department's personnel to go through the equipment purchase proposal process and commented on how the proposed pumper with foam and ambulance with extrication equipment will benefit the district and improve efficiency.

Attorney's Report: Ms. Spring stated that there are a couple legislative items that require the board's attention. The first applies to open burning and clarifies that the fire department has the ability to limit open burning when emergency conditions exist. The board needs to pass an ordinance giving the Fire Chief the authority to exercise this decision when necessary. Ms. Spring will prepare a draft ordinance for review at the next meeting. Ms. Spring stated that the Illinois Open Meetings Act has been amended to require that all trustees complete the annual online training. Ms. Moreno will send the trustees a link to the Illinois Attorney General's website to access the training.

OLD BUSINESS

Ambulance Billing Complaints: There are none at this time.

Annexations: There are none at this time.

District Investments: Trustee Klauber stated that the board moved \$10,000 from the Banco Popular money market account that was earning .001% into a checking account that earns nothing in exchange for the \$230,000 earning .5% at that bank, which is significant net earnings on that account.

PMA Financial Network Presentation: Courtney Rios, PMA Financial Network, appeared before the board to provide a formal proposal for investment services as requested at the last meeting. She provided each trustee with a copy of the proposal and provided a brief overview of

the details of the proposal, which was presented at the September meeting. Ms. Rios reviewed the services they provide as well as the fees and cost of services, which is paid through brokerage commissions.

Trustee Klauber made a motion to execute an agreement with PMA Financial Network to provide investment services to the district. Trustee Badtke seconded the motion.

Trustee Badtke explained to the residents in attendance that when the board began accumulating reserve funds they were initially investing the money with Illinois Funds; however that account no longer earns as much as it did at that time. The Board turned to local banks to get the best rate of return as possible, however the money has been spread across many different certificates of deposit (CDs) at several banks in order to keep them each below \$250,000 (in order to ensure they are FDIC insured), which is unmanageable for the Trustees. Trustee Klauber added that PMA is able to get better rates than the trustees are.

AYES: Badtke, DeRuntz, Klauber

NAYS: None

Motion carried

2011 Audit: Mr. Taveirne provided the trustees with a draft audit and stated he is still receiving information, therefore it is not ready for approval at this meeting.

Draft 2011 Levy: Ms. Spring distributed execution copies based on the board's previous discussion. The proposed levy includes a \$2 million reduction, which will allow the district to spend some accumulated reserves on expenses rather than taking it out of new taxes. She explained that tax cap legislation allows the taxing body to lower the levy for one year and then return to the previous amount the following year. If the taxing body lowers the levy for more than one year the district would have to go a referendum to return to the previous level.

Ms. Spring explained that this reduction would allow the district to maintain the statutorily required, responsible accumulated reserves which is one to two years of expenses, stating that the reason for that accumulation is to ensure that if there is a problem collecting taxes the district can still meet their financial obligations. This levy would be \$1,130,755 in the corporate fund and \$64,891 in the ambulance fund.

Trustee Klauber made a motion to approve the draft 2011 levy as presented. President DeRuntz seconded the motion.

Trustee Badtke stated that he proposed a zero tax levy however there was no second so the proposal died. Trustee Badtke stated that he feels the board could reduce the levy to zero instead of only reducing it by \$2 million and giving away a million dollars to the fire department as is proposed later in the agenda. He asked why the board would only reduce the levy by \$2 million since it can only be done once. Ms. Spring stated that it could be done without penalty again after three years.

President DeRuntz stated that not long ago the district was \$800,000 in debt and was paying interest on contract payments because of the large debt the district had. He noted

that fire districts in this area have failed referendums time and time again. He stated that he made a commitment to the Lake County Board that he wouldn't let the district get back into the red again. He noted that he is also a resident of the fire district and pays taxes and he will not let the district have to go to referendum and ask the taxpayers for a tax increase. He assured the residents that they have the very best fire and paramedic services in Lake County.

Trustee Badtke stated that eight years ago the district had an open contract with the Village of Gurnee allowing the village to charge the district at their discretion, and ever since the contract was renegotiated the district has not run a deficit and has been accumulating reserves. He stated that the current contract, which expires in three years, allows for a 3% increase each year which allows the board to know what the expenses will be for the next three years. Trustee Badtke estimated that based on his calculations reducing the levy by \$2 million will mean that the end of the next fiscal year the accumulated reserves will be approximately \$5 million. He stated he believes that reducing the levy to zero would still allow for there to be the appropriate amount of reserves and be financially sound.

AYES: DeRuntz, Klauber

NAYS: Badtke

Motion carried.

MESS: Trustee Badtke made a motion to consider for approval a contribution to MESS. Trustee Klauber seconded the motion.

Terry Cox explained the services provided by the Metropolitan Emergency Support Services, Inc. (MESS), stating that they respond to all major fires to support the emergency services staff with rehab materials such as food, warming busses and port-o-potties. Chief Friedl noted that the MESS volunteers provide services that the staff can't manage and that they are an extremely valuable service. At a recent fire at the Holiday Inn in Gurnee there were over 110 firefighters and 40 municipal staff that were serviced by MESS.

Trustee Badtke amended his motion to include the amount of \$1,000. Trustee Klauber seconded the motion to amend the motion.

AYES: Badtke, DeRuntz, Klauber

NAYS: None

Motion carried.

A vote was taken on the amended motion to consider for approval a \$1,000 contribution to MESS. Trustee Klauber seconded the motion.

AYES: Badtke, DeRuntz, Klauber

NAYS: None

Motion carried.

NEW BUSINESS

Engine/Ambulance Proposals for Village of Gurnee: Chief Friedl provided the Trustees with documentation pertaining to the proposals obtained for an ambulance, which includes a Stryker power load system, and a heavy duty rescue pumper.

President DeRuntz made a motion to approve the proposal for the ambulance including the Stryker support system for a total of \$202,031. Trustee Klauber seconded the motion.

Trustee Badtke inquired about the apparent low trade-in value for the ambulance that would be traded in toward this purchase. Chief Friedl stated that the age, mileage and condition of the unit cause the trade-in value to be low. Trustee Badtke stated that the Village of Gurnee has not budgeted or planned on a new ambulance for the fire department. He stated that this board purchased an ambulance for the fire department in order to improve service in January of this year. He stated that he believes that paying 100% of the cost of the ambulance for the Village of Gurnee when calls to the district only represent about 30% of the total calls seems heavy handed. He suggested that if the fire department believes there is a need for a new ambulance that the district should pay for 30% of the cost. He stated that paying for the full cost of the ambulance is financially inconceivable.

Trustee Klauber asked the Chief why there is a need for a new ambulance. Deputy Chief Kavanagh stated that the ambulance that is being traded in has approximately 134,000 thousand miles and there are ongoing issues related to maintenance. All of the fire department's ambulances, with exception of the unit purchased last year, have an excess of 100,000 miles on them and require more maintenance and service, which means they are out of service more often. The quality of service improves when all units are running and the new units have improved technology and efficiency. He noted the Stryker support service provides additional safety for the employees of the department.

President DeRuntz stated that the district looks at these needs on a long term basis by taking a strategic approach for equipment needs. Trustee Badtke stated that to the best of his knowledge the Village of Gurnee has not determined that ambulance needed to be replaced this year.

AYES: DeRuntz, Klauber

NAYS: Badtke

Motion carried.

Trustee Klauber made a motion to approve the proposal for the rescue pumper in the amount of \$554,557. President DeRuntz seconded the motion.

Trustee Badtke stated that his comments pertaining to the ambulance purchase apply to the purchase of the rescue pumper as well.

President DeRuntz asked Chief Friedl to discuss the benefits of the proposed rescue pumper. Chief Friedl stated that this unit has the onboard foam system, extrication equipment, emergency lighting, and improved paramedic equipment. He noted that while it has improved functions, there are no bells and whistles. President DeRuntz stated that this purchase is in line with providing improved safety and efficiency to the residents.

AYES: DeRuntz, Klauber

NAYS: Badtke

Motion carried.

Confirmation of Compliance with Public Act 96-0969: Ms. Spring stated that each year each Trustee needs to verbally affirm their compliance with Public Act 96-0969, which requires that trustees reside within the district, does not owe taxes to the district and has not committed a felony. Trustees Badtke, DeRuntz and Klauber each verbally affirmed that they a) reside within the Warren Waukegan Fire Protection District b) do not owe taxes to the district and c) have not committed a felony.

Rules regarding remote attendance: Ms. Spring explained that the Open Meetings Act (OMA) allows remote attendance if the board has rules in place. She prepared a draft resolution to allow remote attendance when a quorum attends the meeting in person and approves remote participation, which is allowable under certain circumstances (personal illness/disability, employment purposes, business of the public body, or some other emergency). A trustee attending remotely may participate in discussion and vote.

Trustee Klauber made a motion to adopt the resolution pertaining to remote attendance at district meetings. Trustee Badtke seconded the motion.

AYES: Badtke, DeRuntz, Klauber NAY: None Motion carried.

Closed Session: None.

Next Meeting: The next meeting of the Warren-Waukegan Fire Protection District is scheduled for January 18, 2012.

Ms. Spring reviewed the agenda items with the Trustees.

Adjournment: Having no further business to come before the Board, President DeRuntz made a motion to adjourn at 9:22 p.m. Trustee Klauber seconded the motion.

AYES: Badtke, DeRuntz, Klauber NAYS: None. Motion carried.

Secretary of WWFPD

Date minutes approved