

APPROVED MINUTES
VILLAGE OF LAKE ZURICH
Board of Trustees
70 East Main Street



Monday, December 5, 2016 7:00 p.m.

1. **CALL TO ORDER** by Mayor Thomas M. Poynton at 7.00pm.
2. **ROLL CALL:** Mayor Thomas Poynton, Trustee Jim Beaudoin, Trustee Jeff Halen, Trustee John Shaw, Trustee Jonathan Sprawka, Trustee Dan Stanovich. Trustee Spacone was absent and excused. Also present: Village Manager Ray Keller, Asst. Village Manager Roy Witherow, Village Atty. Scott Uhler, Finance Director Jodie Hartman, Dir. of Innovation Michael Duebner, Police Chief Steve Husak, Fire Chief John Malcolm.
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENT**
There were no public comments.
5. **PRESIDENT'S REPORT / COMMUNITY UPDATE**
 - a) Recognition of Trustee Dan Stanovich for his service on the Village Board in lieu of his upcoming resignation from the Board effective December 12, 2016 due to his moving to a neighboring town outside of the Village of Lake Zurich.
 - b) Mayor Poynton introduced Mr. Greg Weider to fill the temporary vacancy on the Village Board and to finish the remainder of Dan Stanovich's term. The Mayor received the advice and consent of the Board to appoint Mr. Weider for a temporary term. Motion was made by Mayor Poynton seconded by Trustee Shaw, to appoint Greg Weider to the Village Board effective December 19, 2016 until April 30, 2017.
AYES: 4 Trustees Halen, Shaw, Sprawka, Beaudoin.
NAYS: 0
ABSENT: 1 Trustee Spacone.
ABSTAIN: 1 Trustee Stanovich.
MOTION CARRIED.
 - c) Miracle on Main Street on December 3, 2016 was a big success for downtown Lake Zurich and Staff did an excellent job organizing the event.
6. **PUBLIC HEARING FOR CONSIDERATION OF PROPOSED ANNUAL BUDGET FOR FISCAL YEAR 2017**
Summary: As noticed in the Lake Zurich Courier and on the Village website on November 24, 2016 this is a public hearing for the tentative annual budget for the Village of Lake Zurich's first calendar based fiscal year. Fiscal Year 2017 will run January 1, 2017 through December 31, 2017. A copy of the tentative budget has been available for public review at Village Hall and on the Village website. All interested

persons are invited to attend this public hearing and provided feedback to the Village Board on the proposed budget.

Recommend Actions: #1

Mayor Poynton called to order the Public Hearing for Consideration of the Proposed Annual Budget for Fiscal Year 2017.

Roll Call: Mayor Poynton, Trustee Beaudoin, Trustee Halen, Trustee Shaw, Trustee Sprawka, Trustee Stanovich. Trustee Spacone was absent and excused.

#2 – A motion to open the public hearing for the proposed fiscal year 2017 annual budget and receive public comments was made by Trustee Beaudoin, seconded by Trustee Sprawka.

AYES: 5 Trustees Shaw, Sprawka, Beaudoin. Trustee Stanovich, Halen.

NAYS: 0

ABSENT: 1 Trustee Spacone.

MOTION CARRIED.

PUBLIC COMMENTS: There were none.

#3 – A motion to close the public hearing for the proposed fiscal year 2017 annual budget was made by Trustee Shaw, seconded by Trustee Stanovich.

AYES: 5 Trustees Sprawka, Beaudoin. Trustee Stanovich, Halen, Shaw.

NAYS: 0

ABSENT: 1 Trustee Spacone.

MOTION CARRIED.

#4 – A motion to adjourn the public hearing for the proposed fiscal year 2017 annual budget was made by Trustee Sprawka, seconded by Trustee Beaudoin.

AYES: 5 Trustees Beaudoin. Trustee Stanovich, Halen, Shaw, Sprawka.

NAYS: 0

ABSENT: 1 Trustee Spacone.

MOTION CARRIED.

7. CONSENT AGENDA

A. Approval of Minutes of the Village Board Meeting, November 21, 2016

B. Semi-Monthly Warrant Register Dated December 5, 2016 Totaling \$2,523,944.93

C. Ordinance Committing Direct Dispatch Services Revenue to the Dispatch Services Fund of the Village of Lake Zurich ORD. #2016-12-158

Summary: In order to better account for the revenues and costs associated with providing regional emergency dispatch services, the proposed 2017 budget includes the new Dispatch Services Fund. The Governmental Accounting Standards Board requires new special revenue funds be created via ordinance approval that commits the revenue directly generated from providing dispatch services to outside agencies for the use of offsetting the costs of such services.

D. Resolution Amending the Village of Lake Zurich Fund Balance Policy

RES. #2016-12-7D

Summary: In order to promote the Village Strategic Goal of Financial Sustainability, Staff recommends a revised fund balance policy that will facilitate sufficient resources be retained by the Village to provide a stable financial base at all times. The proposed Resolution increases the General Fund Target Balance from 20% to 40% and establishes a Water and Sewer Fund Target Balance of 30%.

- E. **Resolution Adopting a Travel Expense Policy RES. #2016- 12-7E**
Summary: A new State of Illinois law that was signed by the Governor in July 2016, the Local Government Travel Expenses Control Act, requires school districts, community college districts, and all non-home rule units of local government approve by resolution or ordinance, the regulation of all travel, meal, and lodging expenses of officers and employees. Approval of the resolution ratifies the Village's existing travel expense policy and complies with the new State statute.
- F. **Letter of Credit Reduction to \$54,578.20 for Bimbo Bakeries at 845 Telser Road**
Summary: Bimbo Bakeries has requested a reduction of the letter of credit for the recent construction at 845 Telser Road in the Lake Zurich Industrial Park. Staff recommends the letter of credit be reduced from \$545,782 to a remaining 10% escrow of \$54,578.20 as a maintenance guarantee to be held for one year from the date of occupancy.
Recommended Action: Motion was made by Trustee Shaw, seconded by Trustee Stanovich, to accept the Consent Agenda as presented.
AYES: 5 Trustee Stanovich, Halen, Shaw, Sprawka, Beaudoin.
NAYS: 0
ABSENT: 1 Trustee Spacone.
MOTION CARRIED.

8. **OLD BUSINESS**

There was none.

9. **NEW BUSINESS**

- A. **Ordinance Approving Budget Amendment No. 1 for Fiscal Year 2016B Budget ORD. #2016-12-159**
Summary: Upon evaluation of the financial projections for the current fiscal year 2016B, a number of necessary budget amendments have been identified. The total net adjustments of all budget amendments among all funds is a decrease of \$116,179 in fund balance position. The decrease is primarily due to infrastructure projects funded through the Village's TIF, capital improvement, and water/sewer funds. Approval of the proposed budget amendment requires a minimum two-thirds majority vote.
Recommended Action: Motion was made by Trustee Beaudoin, seconded by Trustee Halen, to approve Ordinance #2016-12-159 approving budget amendment No. 1 for Fiscal Year 2016B.
AYES: 5 Trustee Sprawka, Stanovich, Shaw, Beaudoin, Halen.
NAYS: 0
ABSENT: 1 Trustee Spacone.
MOTION CARRIED.
- B. **Ordinance Adopting the Annual Budget of the Village of Lake Zurich for All Corporate Purposes for the Fiscal Year Commencing January 1, 2017 and Ending December 31, 2017 ORD. #2016-12-160**
Summary: At the November 19, 2016 Committee of the Whole budget workshop, the Village Board directed Staff to prepare a final budget for Fiscal Year 2017, the Village's first 12-month calendar based fiscal year. The proposed budget is presented as a balanced operational plan for the upcoming fiscal year. The new budget shows a projected operating surplus of \$10,000 in the General Fund. The

new budget for all governmental, enterprise, and fiduciary funds totals \$50.4 million in expenditures.

The proposed Fiscal Year 2017 budget continues the Village's commitment to providing a high level of service to residents, businesses and guests, while responsibly managing the resources entrusted to the Village. The proposed budget advances the community's strategic goals, particularly in the areas of financial and service sustainability and infrastructure development.

Finance Director Hartman discussed the challenges of completing the fiscal year transition and the new timing of the annual budget and audit cycle. Director Hartman explained there are no new revenue sources in the proposed 2017 budget and all of the revenue projects are conservative. There are no layoffs planned for the new fiscal year and about \$800,000 in capital purchases, including a fire engine and three squads, which is a big success considering pension payments have increased over \$500,000.

Recommended Action: A motion was made by Trustee Beaudoin, seconded by Trustee Sprawka, to approve Ordinance #2016-12-160 Adopting the Annual Budget of the Village of Lake Zurich for All Corporate Purposes for the Fiscal Year Commencing January 1, 2017 and Ending December 31, 2017.

AYES: 5 Trustee Stanovich, Shaw, Beaudoin, Halen, Sprawka.

NAYS: 0

ABSENT: 1 Trustee Spacone.

MOTION CARRIED.

C. Ordinance Amending the Lake Zurich Municipal Code Related to Water and Sewer Rates ORD. #2016-12-161

Summary: With the Village's aging infrastructure placing demands on the resources of the Water and Sewer enterprise fund, Staff recently completed analysis to determine an appropriate adjustment to the Village's water and sewer rate. The analysis shows the fund cannot sustain operations and capital improvements based on the current rate. Staff recommends a \$0.61 cent increase to the Village-controlled portion of the combined rate for water and sewer service from \$10.39 per 1,000 gallons to \$11.00 per 1,000 gallons, effective January 1, 2017 (not counting the \$4 Lake County treatment plant charge). The projected increase in revenue has been included in the proposed Fiscal Year 2017 budget.

Finance Director Hartman explained the rates adjustments mean an average household of two-three people using about 4,000 gallons of water a month can expect to see an increase of just over \$2 a month. A larger household using about 7,000 gallons a month can expect to see an increase of about \$4.25 per month. A recent analysis of nearby municipal water rates shows Lake Zurich increased rates will be 27 out of 47 towns analyzed.

Recommended Action: A motion was made by Trustee Beaudoin, seconded by Trustee Halen, to approve Ordinance #2016-12-161 Amending the Lake Zurich Municipal Code Related to Water and Sewer Rates.

AYES:5 Trustees Shaw, Beaudoin, Halen, Sprawka, Stanovich

NAYS: 0

ABSENT: 1 Trustee Spacone.

MOTION CARRIED.

D. Ordinance for Village of Lake Zurich Annual Property Tax Levy for Fiscal Year 2017 in the Amount of \$7,490,570 and Five Ordinances Approving Debt Service Tax Abatements

Summary: Each year, the Village approves a property tax levy Ordinance in order to have the Lake County Clerk's Office extend property taxes on real estate parcels within the boundaries of the Village. The 2016 levy request is based upon the estimated equalized assessed value (EAV) of those properties, which is calculated by Ela Township. Applying the rates allowed by the Property Tax Extension Limitation Law (PTELL), the Village is requesting a total levy of \$7,490,570, including \$7,200,642 for General Corporate purposes and \$289,928 for special purposes. The total projected increase to the levy is 1.61% over the 2015 levy.

Five ordinances totaling \$2,354,130 regarding debt service abatements are also presented for Village Board action. As sufficient funds are available from other revenue sources to pay scheduled debt service payments as they become due, the need to extend a property tax levy on these issues is not warranted. Therefore, the Village will notify the County Clerk to not extend property taxes on these abatement ordinances.

1. Ordinance for Village of Lake Zurich Annual Property Tax Levy for Fiscal Year 2017 in the Amount of \$7,490,570 ORD#2016-12-162

Recommended Action: Motion was made by Trustee Beaudoin, seconded by Trustee Halen, to approve an Ordinance for the Village of Lake Zurich Annual Property Tax Levy for Fiscal Year 2017 in the Amount of \$7,490,570. ORD. #2016-12-162.

AYES: 5 Trustees Shaw, Beaudoin, Halen, Sprawka, Stanovich

NAYS: 0

ABSENT: 1 Trustee Spacone.

MOTION CARRIED.

2. Ordinance Abating Certain Taxes Levied for \$7,830,000 Taxable General Obligation Funding Bonds, Alternate Revenue Sources, Series 2009A ORD. #2016-12-163

3. Ordinance Abating Certain Taxes Levied for \$3,800,000 General Obligation Bonds, Waterworks and Sewerage System Alternate Revenue Source, Series 2013A Ord. #2016-12-164

4. Ordinance Abating Certain Taxes Levied for \$6,325,000 General Obligation Refunding Bonds, Series 2014A Ord. #2016-12-165

5. Ordinance Abating Certain Taxes Levied for \$11,775,000 General Obligation Refunding Bonds, Series 2015A Ord. #2016-12-166

6. Ordinance Abating Certain Taxes Levied for \$7,100,000 General Obligation Refunding Bonds, Series 2016A Ord. #2016-12-167

Recommended Action: Motion was made by Trustee Beaudoin, seconded by Trustee Sprawka, to approve the above five tax abatement Ordinances

AYES: 5 Trustees Beaudoin, Halen, Sprawka, Stanovich, Shaw

NAYS: 0

ABSENT: 1 Trustee Spacone.

MOTION CARRIED.

E. Approval to Purchase a 2017 Pierce Saber Fire Engine from Global Emergency Products in the Amount Not-to-Exceed \$525,000

Summary: The proposed Fiscal Year 2017 budget includes \$525,000 in the Equipment Replacement Fund to replace one of five fire engines currently operated by the Fire Rescue Department. This engine purchase has been planned for in the Capital Improvement Plan and the Fleet Replacement Plan and will be replacing a 1995 model with 115,000 miles and 10,700 operating hours. The purchase is planned to be made with Global Emergency Products using the Houston-Galveston Area Council Purchase Cooperative, a national joint purchasing organization that conducts competitive bids on a variety of vehicles and equipment.

Trustee Shaw asked what the Village plans to do with the 1995 model that is being replaced. Fire Chief Malcolm said the old engine will not go into reserves but will be disposed of.

Recommended Action: A motion was made by Trustee Shaw, seconded by Trustee Stanovich, to purchase a 2017 Pierce Saber Fire Engine from Global Emergency Products in the Amount Not-to-Exceed \$525,000.

AYES:5 Trustees Halen, Sprawka, Stanovich, Shaw, Beaudoin.

NAYS: 0

ABSENT: 1 Trustee Spacone.

MOTION CARRIED.

F. Ordinance Amending Title 3, Chapter 3, Article B of the Village of Lake Zurich Municipal Code Regarding Liquor Licenses and Title 3, Chapter 3, Article C of the Village of Lake Zurich Municipal Code Regarding Sales ORD. #2016-12-168

Summary: The Village's liquor code and its associated license classes have been assembled over time to meet the needs of new businesses locating in Lake Zurich. This piece-meal approach has resulted in 28 distinct classes for only 62 license holders, resulting in a regulatory environment that is cumbersome to comply with and challenging to enforce. Staff has worked in partnership with the local business community to revise the liquor code and the types of license classes. The recommended revisions to the code will provide a streamlined approach to regulating the sale and service of alcohol in a manner that is flexible and business friendly, while also retaining the family-friendly community expectations for liquor establishments.

Innovation Director Duebner explained to the Trustees the process that Staff went through to participate with the local business community to finalize the proposed liquor code revisions. Trustee Halen voiced his support for the proposed revisions and asked questions about the specific liquor licenses classes. Police Chief Husak explained that no establishments will be permitted to allow patrons to take open intoxicants off the licensed premises. Mayor Poynton highlighted the business friendly revision to the Liquor Code that will now allow establishments to pay pro-rated amounts for licenses depending on which time of the year they apply for one. Director Duebner added that the early-bird discount to apply for 2017 liquor licenses will be extended until December 31, 2016.

Recommended Action: A motion was made by Mayor Poynton, seconded by Trustee Beaudoin, to approve Ordinance #2016-12-168 Amending Title 3, Chapter 3, Article B of the Village of Lake Zurich Municipal Code Regarding

Liquor Licenses and Title 3, Chapter 3, Article C of the Village of Lake Zurich Municipal Code Regarding Sales.

AYES: 5 Trustees Sprawka, Stanovich, Shaw, Beaudoin, Halen.

NAYS: 0

ABSENT: 1 Trustee Spacone.

MOTION CARRIED.

10. TRUSTEE REPORTS

Trustee Stanovich thanked the Trustees and the Lake Zurich citizens for the honor of serving the community. Through his three years on the Board, he feels he has helped accomplish many important goals of the town with the partnership of Mayor Poynton, the Board of Trustees, and Village Staff.

11. VILLAGE MANAGER'S REPORT

There was none.

12. ATTORNEY'S REPORT

There was none.

13. DEPARTMENT HEAD REPORT

There were none.

14. ADJOURNMENT

Motion to adjourn was made by Trustee Beaudoin, seconded by Trustee Stanovich.

AYES: 5 Trustees Stanovich, Shaw, Beaudoin, Halen, Sprawka..

NAYS: 0

ABSENT: 1 Trustee Spacone.

MOTION CARRIED.

Meeting adjourned at 7.49pm.

Respectfully submitted:

Kyle Kordell, Deputy Village Clerk

Approved by:



 Thomas M. Poynton, Village Mayor

12-20-2016

 Date.

