

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



Monday, July 19, 2021. 7:00 p.m.

1. **CALL TO ORDER** by Mayor Thomas M. Poynton at 7.00pm.
2. **ROLL CALL:** Mayor Thomas Poynton, Trustee Dan Bobrowski, Trustee Mary Beth Euker, Trustee Janice Gannon, Trustee Marc Spacone, Trustee Jonathan Sprawka, Trustee Greg Weider. Also in attendance: Village Manager Ray Keller, Asst. Village Manager Roy Witherow, Village Atty. Scott Uhler, Management Services Dir. Michael Duebner, Fire Chief Dave Pilgard, Police Chief Steve Husak, Dir. Of Community Development Sarosh Saher, Public Works Asst. Dir. Steve Paulus, Park and Rec Dir. Bonnie Caputo, H.R. Dir. Doug Gibson, Acting Treasurer Amy Sparkowski.
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENT**

Eric Dubiel, 25 N. Pleasant Rd., addressed the Board on Agenda Item 8C and his opposition to the Village financially assisting the buyer of the property; his opposition to Agenda Item 8A and the density and design of the The Sanctuary and he claimed there is a conflict of interest with a Trustee and the Budget.

Mike Schroeder, 250 Whitney Road, addressed the Board as a representative of the LPOA and stated that the Association is supporting the proposed Sanctuary development and their 24 slips for motorized boats.

Mark Smith, 1417 Sandy Pass, addressed the Board about new sidewalk and curbs at his property and suggested that he team with the village to address these projects as it will be two to three years before his street is resurfaced.
5. **PRESIDENT'S REPORT / COMMUNITY UPDATE**
 - A. **Oath of Office to Appoint David Pilgard to the Position of Lake Zurich Fire Chief with the Advice and Consent of the Village Board**

Mayor Poynton gave the Oath of Office to Fire Chief Dave Pilgard who was pinned by his father, girlfriend and her son.
6. **CONSENT AGENDA**
 - A. **Approval of Minutes of the Village Board Meeting, July 6, 2021**
 - B. **Approval of Semi-Monthly Warrant Register Dated July 19, 2021, Totaling \$376,942.11**
 - C. **Agreement to Purchase One 2021 John Deere Front-End Loader from West Side**

from the Sourcewell Cooperative Purchasing Contract in the Amount Not-

Summary: The Community Investment Plan (CIP) identifies replacement of a 2-ton dump truck for \$195,000 in budget year 2021 and a front-end loader with an estimated replacement cost of \$195,000 in budget year 2022. Both units are well beyond their useful service life, but ongoing supply chain disruptions called into question the delivery of the dump truck before the end of the 2021 budget year. Staff was able to confirm delivery of a front-end loader before year end 2021 and is recommending a switch between the two, purchasing the loader in 2021 and the dump truck in 2022.

The total acquisition cost for a 2021 John Deer front-end loader is \$185,000 from budgeted funds, inclusive of \$15,000 trade-in credit and \$4,353 for warning lights and safety equipment.

D. Agreement with Lake Zurich Property Owners Association for Paulus Park Shelter A Rental on Sunday, August 29, 2021

Summary: The LZPOA requests permission to hold a member social event at Shelter A in Paulus Park on August 29, 2021 from 11 am – 7 pm with 100 – 125 people. Activities would include games, food, adult beverages, and music. Applicable shelter rental fees, liquor license fees, and insurance requirements all apply. Village special event guidelines require events at Paulus Park with anticipated attendance over 100 to be reviewed by the Park Advisory Board and approved by the Village Board.

Recommended Action: A motion was made by Trustee Weider, seconded by Trustee Sprawka, to approve the Consent Agenda as presented.

AYES: 6 Trustees Bobrowski, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

7. OLD BUSINESS

None at this time.

8. NEW BUSINESS

A. Ordinance Granting Approval of a Planned Unit Development, Amendment to the Official Zoning Map, Subdivision Plat, Development Concept and Final Plan, Special Use Permits and Modifications to the Zoning and Land Development Code for a Mixed-Use Subdivision – The Sanctuary of Lake Zurich at 300 North Rand Road, 881 North Old Rand Road, and 320 North Rand Road ORD. #2021-07-421

Summary: LZ Development Group, LLC. represented by Mr. Romeo Kapudija requests approval of a Planned Unit Development to construct a mixed-use development known as The Sanctuary of Lake Zurich, containing commercial uses within a 4,200 square-foot building and 23 residential townhomes within three buildings along the waterfront. The subject property consists of parcels with frontage along the lake addressed at 300 North Rand Road, 881 North Old Rand Road, and 320 North Rand Road, and is located adjacent to the lake and south of the existing fine facility.

The subject property is currently located within the Village of Lake Zurich. The property is currently owned by the business *Dieterle* and would be used for commercial purposes. The property is currently zoned *RS-1*.

The three proposed townhome buildings are three stories tall with a maximum height of 35 feet and price points beginning in the upper \$500,000's. The development would include three piers containing provision for 10 boat slips each, for a total of 30 boat slips. These boat slips are intended for private lake access for individual homeowners residing within the townhomes. The proposed commercial building is a single-story structure with a drive-through facility, outdoor seating and space for up to two businesses.

The Planning and Zoning Commission considered this proposed development at a public meeting on May 19, 2021 and found that the development is acceptable, voting 5-0 in favor of recommending approval, subject to the conditions outlined in the staff report.

Dir. Of Community Development Sarosh Saher introduced Mr. Romeo Kapudija, LZ Development Group, LLC., who introduced Mr. Jeff Funke, Architect of the development. A PowerPoint presentation was given of the proposed Sanctuary and then the team answered the Board's questions. Questions included clarification of number of boat slips, number of restaurants and sustainable surfaces. Mr. Kapudija responded that there will be 24 slips for motorized boats and 6 slips for kayaks/canoes etc.; one restaurant and pervious materials.

Recommended Action: A motion was made by Trustee Bobrowski, seconded by Trustee Euker, to approve Ordinance #2021-07-421 Granting Approval of a Planned Unit Development, Amendment to the Official Zoning Map, Subdivision Plat, Development Concept and Final Plan, Special Use Permits and Modifications to the Zoning and Land Development Code for a Mixed-Use Subdivision – The Sanctuary of Lake Zurich at 300 North Rand Road, 881 North Old Rand Road, and 320 North Rand Road, substantially in this draft form, subject to final review and approval of the terms of the Village and the completion and inclusion of all exhibits to the Agreement.

AYES: 6 Trustees Bobrowski, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

B. Ordinance Approving and Authorizing the Execution and Attestation of a Development Agreement by and between the Village of Lake Zurich and LZ Development Group, LLC relating to the Development of the Sanctuary of Lake Zurich Subdivision at 300 North Rand Road, 881 North Old Rand Road, and 320 North Rand Road ORD. #2021-07-422

Summary: As part of the Final Plan approval for The Sanctuary of Lake Zurich mixed-use development, LZ Development Group LLC shall enter into a binding agreement with the Village to install all the required improvements and providing surety of such improvements.

In addition to the requirements outlined in Chapter of the Village Land Development Code, the developer shall agree to the establishment of a "backup" Special Service Area to ensure that common open space including landscape, trails, stormwater management and detention facilities, snow removal, sea level rise, water roadway and drive ways are maintained and protected for a future generation. The Village shall be at an dissolution or its lack of maintenance of these

Dir. Of Community Development Sarosh Saher stated that there were no additions to the summary. Mike Anderson, Haeger Engineering, addressed the pervious surfaces maintenance. Mr. Kapudija stated that the property had not been purchased at the present.

Recommended Action: A motion was made by Trustee Bobrowski, seconded by Trustee Sprawka, to approve Ordinance #2021-07-422 Approving and Authorizing the Execution and Attestation of a Development Agreement by and between the Village of Lake Zurich and LZ Development Group, LLC relating to the Development of the Sanctuary of Lake Zurich Subdivision at 300 North Rand Road, 881 North Old Rand Road, and 320 North Rand Road, substantially in this draft form, subject to final review and approval of the terms by the Village and the completion and inclusion of all exhibits to the Agreement.

AYES: 6 Trustees Bobrowski, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

C. **Ordinance Approving a Redevelopment Agreement by and between the Village of Lake Zurich, Lake County, Illinois and LZF Blooms, LLC ORD. #2021-07-423**

Summary: LZF Blooms, LLC, doing business as Lake Zurich Florist, is seeking a redevelopment agreement with the Village for the redevelopment of the properties at 7, 15, and 19 South Old Rand Road. These properties have been owned by the Village since 2006 and were the former site of Tail Waggers, Alicia's Nails, and the Alpine Medical building, which were demolished in 2019.

Lake Zurich Florist, owned and operated by Mrs. Anping Lovejoy, propose to acquire the vacant parcels from the Village and redevelop them with a new two-story mixed-use building containing four commercial tenant spaces on the first floor and four residential units on the second floor.

The developers have requested financial assistance from the Village through the form of a redevelopment agreement. LZ Blooms LLC intends to acquire the property from the Village for \$225,000. They have identified approximately \$2.45 million in costs for construction of the building and site.

The proposed redevelopment agreement contains the terms and conditions of the public-private partnership, which includes paying the Village \$100,000 up front for the purchase of the property. Over the next fifteen years, as LZF Blooms pays its property taxes, 100% of the TIF increment generated by the property will be deposited into a special tax allocation fund each year for the purpose of paying the initial \$100,000 back to the Developer and paying the remaining \$125,000 of the property mortgage.

Asst. Village Manager Roy Witherow introduced Atty. Je... who was rep... Ms. Lovejoy and he gave a brief PowerPoint... of the p... answered the Board's questions. On a question... sent to... Menges predicted that it would be rep... in...

Recommended Action: A motion was made by Trustee Bobrowski, seconded by Trustee Sprawka, to approve Ordinance #2021-07-423 Approving and Authorizing the Execution and Attestation of a Development Agreement by and between the Village of Lake Zurich and LZ Development Group, LLC relating to the Development of the Sanctuary of Lake Zurich Subdivision at 300 North Rand Road, 881 North Old Rand Road, and 320 North Rand Road, substantially in this draft form, subject to final review and approval of the terms by the Village and the completion and inclusion of all exhibits to the Agreement.

AYES: 6 Trustees Bobrowski, Euker, Gannon, Spacone, Sprawka, Weider.
NAYS: 0
ABSENT: 0
MOTION CARRIED.

*AYES: 6 Trustees Bobrowski, Euker, Gannon, Spacone, Sprawka, Weider.
NAYS: 0
ABSENT: 0
MOTION CARRIED.

D. Presentation of Comprehensive Annual Financial Report for Fiscal Year 2020

Summary: State law requires the Village to publish a complete set of financial statements presented in conformity with generally accepted auditing standards by a firm of licensed certified public accountants. The Village has completed the annual audit with Baker Tilly, who has issued an unmodified clean opinion on Village finances for the fiscal year ended December 31, 2020.

The Government Finance Officers Association has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for this transparent and prudent municipal finance management report.

Overall, Village finances fared well during Fiscal Year 2020. The General Fund balance remained consistent with the previous year of 2019, with the exception of the GASB 84 implementation adjustment.

Total General Fund balance at year-end was \$12.1 million, of which \$1.6 million was non-spendable. Long-term bonded debt decreased \$2.3 million to a total of \$23.1 million outstanding as of December 31, 2020. The Village maintains a AAA stable outlook bond rating status from Standard & Poor's, which it has held since 2013, based on the following factors:

- Very strong economy, with a projected per capita buying income at 167% the national average
- Very strong budgetary flexibility
- Strong overall budgetary performance
- Strong debt and contingency liabilities profile

With the loss of Peapod in early 2020 (which was a major sales tax producer for Lake Zurich), followed by the COVID-19 pandemic, staff quickly responded to the changing environment and pulled back on major projects, capital spending and discretionary budget items. While the Village is primarily a white-collar community and is typically less affected by the losses of manufacturing jobs, the pandemic impacted several key revenues for the Village and placed pressure on emergency services and operations.

Despite the challenges of 2020, the long-term financial planning of the Village coupled with the strength of the local economy and private-sector investment, municipal finances remain on solid footing for the foreseeable future.

Acting Treasurer Amy Sparkowski introduced Baker Tilly's representative Susannah Filipovi who gave a brief summary of the audit

Recommended Action: A motion was made by Trustee Sprawka, seconded by Trustee Weider, to approve and accept the Comprehensive Annual Financial Report for the fiscal year ended December 31, 2020.

*AYES: 6 Trustees Bobrowski, Euker, Gannon, Spacone, Sprawka, Weider.

E. Ordinance Approving Budget Amendment #1 for Fiscal Year 2021 Budget

ORD. #2021-07-424

Summary: A mid-year evaluation of the Village’s financial situation has prompted an amendment to the 2021 budget to reflect updated revenue and expenditure estimates and year-end projections. General Fund revenues, specifically Sales Tax and Income Tax, are coming in higher than anticipated at the end of 2020.

Based on current estimates and updated projections, staff anticipate a gross increase of \$456k in General Fund revenue in FY 2021. With these additional funds, staff recommend prioritizing filling several positions that have been held vacant through the COVID economic climate, including a Police Officer, a Firefighter/Paramedic, a Water/Sewer Maintenance Worker I, and two part-time Parks & Recreation receptionists.

The amendment also authorizes the addition of a new full-time Community Development Permit Manager to stabilize an important customer service function that has been intermittently filled by part-time employees. This addition increases the total number of authorized full-time employees to 157. Four authorized positions continue to be held vacant until revenues further increase and stabilize.

After accounting for the funding of these positions and other budgeted expenditure modifications, the proposed budget amendment reflects a projected net general fund surplus of \$19,301.

The recommended budget amendment also includes revisions to several expenditure accounts where departments are forecasting increased activity will result in ending the year over-budget, including the Special Events Fund, Water and Sewer Fund and Risk Management Fund.

Village Manager Ray Keller gave a PowerPoint presentation of the Budget update and the proposed amendment including a title change for Dir. Duebner. Mr. Keller and staff responded to the Board’s questions about being fully staffed and permit manager’s position.

Recommended Action: A motion was made by Trustee Sprawka, seconded by Trustee Spacone, to approve Ordinance #2021-07-424 approving budget amendment #1 for Fiscal Year 2021 budget.

AYES: 6 Trustees Bobrowski, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

9. TRUSTEE REPORTS

Trustee Euker reported that Cricket Theatre will be producing four shows in two weeks at Cutting Hall Theatre.

10. VILLAGE STAFF REPORTS

- A. Finance Department - Fiscal Year 2020 Treasurer’s Report presented by Trustee Bobrowski, Acting Treasurer.
- B. Village Public Works Reports

11. ADJOURNMENT

Motion to adjourn the meeting was made by Trustee Sprawka, seconded by Trustee Euker.

AYES: 6 Trustees Bobrowski, Euker, Gannon, Spacone, Sprawka, Weider.

NAYS: 0

ABSENT: 0

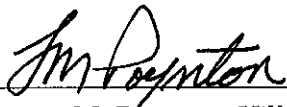
MOTION CARRIED.

Meeting adjourned at 8.30pm

Respectfully Submitted by:

Kathleen Johnson, Village Clerk.

Approved by:



Thomas M. Poynton, Village Mayor

8-13-2021

Date.

