

VILLAGE OF LAKE ZURICH

**Board of Trustees
70 East Main Street**



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

AGENDA

1. CALL TO ORDER

- 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.

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

This is an opportunity for residents to comment briefly on matters included on the agenda and otherwise of interest to the Board of Trustees. Public Comment is limited to 30 minutes total and 5 minutes per speaker.

5. PRESIDENT'S REPORT / COMMUNITY UPDATE

(This is an opportunity for the Mayor to report on matters of interest to the Village.)

- 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**

6. CONSENT AGENDA

(These titles will be read by the Village Clerk and approved by a single Roll Call Vote. Any item may be pulled from the Consent Agenda for discussion by any member of the Board).

- 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 Tractor via the Sourcewell Cooperative Purchasing Contract in the Amount Not-to-Exceed \$185,000**

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 to approve the Consent Agenda as presented.

7. OLD BUSINESS

(This agenda item includes matters for action by the Board of Trustees).

None at this time.

8. NEW BUSINESS

(This agenda item includes matters coming to the Board of Trustees for discussion and possible action).

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 (Assign Ord. #2021-07-421) (Trustee Bobrowski)

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 includes four 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 across the street and south of the new Life Time facility.

The 4.04-acre subject property is currently located within the Village's *B-1 Local and Community Business District* and would require an amendment to the Zoning Map to rezone a portion of the property to *R-6 Multiple-Family Residential District*.

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.

Recommended Action: A motion 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.

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 (Assign Ord. #2021-07-422) (Trustee Bobrowski)

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 5 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 materials, stormwater management and detention facilities, snow removal, sea wall and private roadway and driveways are maintained in the event of a future Homeowners Association dissolution or its lack of required maintenance of these areas.

Recommended Action: A motion 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.

C. Ordinance Approving a Redevelopment Agreement by and between the Village of Lake Zurich, Lake County, Illinois and LZF Blooms, LLC (Assign Ord. #2021-07-423) (Trustee Bobrowski)

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.

Recommended Action: A motion to approve Ordinance #2021-07-423 Approving a Redevelopment Agreement by and between the Village of Lake Zurich, Lake County, Illinois and LZF Blooms, LLC, 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.

D. Presentation of Comprehensive Annual Financial Report for Fiscal Year 2020 (Trustee Sprawka)

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.

Recommended Action: A motion to approve and accept the Comprehensive Annual Financial Report for the fiscal year ended December 31, 2020.

E. Ordinance Approving Budget Amendment #1 for Fiscal Year 2021 Budget (Assign Ord. #2021-07-424) (Trustee Sprawka)

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.

Recommended Action: A motion to approve Ordinance #2021-07-424 approving budget amendment #1 for Fiscal Year 2021 budget.

9. TRUSTEE REPORTS

(This is an opportunity for Trustees to report on matters of interest to the Board of Trustees).

10. VILLAGE STAFF REPORTS

(This is an opportunity for the Village Manager or Department Heads to report on matters of interest to the Board of Trustees).

A. Finance Department - Fiscal Year 2020 Treasurer's Report

B. Monthly Data Metric Reports

11. ADJOURNMENT

(Next regularly scheduled Village Board meeting on Monday, August 2, 2021)

The Village of Lake Zurich is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and participate in this meeting, or who have questions regarding the accessibility of the meeting or the Village's facilities, should contact the Village's ADA Coordinator at 847.438.5141 (TDD 847.438.2349) promptly to allow the Village to make reasonable accommodations for those individuals.