

VILLAGE OF LAKE ZURICH

Board of Trustees
70 East Main Street



Monday, August 5, 2024 7:00 p.m.

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **SWEARING IN FOR NEWLY APPOINTED VILLAGE TRUSTEE**
 - Advice and Consent to Appoint and Swear In New Village Trustee Jake Marx
4. **ROLL CALL:** Mayor Thomas Poynton, Trustee Mary Beth Euker, Trustee Jake Marx, Trustee William Riley, Trustee Marc Spacone, Trustee Roger Sugrue, Trustee Greg Weider.
5. **PRESIDENT'S REPORT / COMMUNITY UPDATE**
 - **Police Department**
 - Proclamation Honoring Deputy Chief Robert Johnson upon His Retirement from the Village of Lake Zurich after 29 Years of Public Service
 - Promotion of Deputy Police Chief Anthony Grunder
 - Promotion of Police Sergeant Andrew Heer
 - Oath of Office for Police Officer Jeremy Peace
 - **Fire Department**
 - Oath of Office for Firefighter-Paramedic James Sawyer
 - Oath of Office for Firefighter-Paramedic Zachary Steinhagen
 - Promotion for Lieutenant Kevin Michehl

6. 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 up to 5 minutes per speaker.

7. 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 Village Trustee.

- A. Approval of Minutes from the Village Board Meeting of July 15, 2024**
- B. Approval of Semi-Monthly Warrant Register Dated August 5, 2024, Totaling \$1,652,690.54**
- C. Ordinance Approving a Fence Variation for 1073 Avery Ridge (Assign Ord. #2024-08-576)**

Summary: 1073 Avery Ridge Circle requests a zoning variance from the R-5 single-family residential district to allow the installation of a five-foot tall fence in the corner side yard. The Planning & Zoning Commission held a public hearing on July 18, 2024, to consider the application and voted 4-0 in favor of recommendation of approval.

- D. Ordinance Approving Update to Liquor Code Title 3, Chapter 3, Article B (Assign Ord. #2024-08-577)**

Summary: From time-to-time Lake Zurich's Village Code requires updates to memorialize administrative procedures and to keep pace with insurance coverage trends. Section 3-3B-15 requires a surety bond of \$1,000 for annual liquor license applicants that would be forfeited should their license be revoked for cause. Staff is seeking approval from the Village Board to strike section 3-3B-15 and update sections 3-3B-16 as outlined in the proposed Ordinance.

- E. Ordinance Approving a Special Use Permit for Luminescent Detailing at 865 Telser Road (Assign Ord. #2024-08-578)**

Summary: Luminescent Detailing, currently located at 904 Donata Court, requests a Special Use Permit to move to a new location at 865 Telser Road to operate an automotive detailing business. The subject property remains within the I-Industrial Zoning District and construction at the new location should be finished before January 1, 2025. The Planning and Zoning Commission held a public hearing on July 17, 2024, voting 6-0 to recommend approval.

- F. Paulus Park Pavilion Rental for Kemco Trucking Company Picnic on August 18, 2024**

Summary: Kemco Trucking Company requests approval of the Paulus Park Center State Pavilion on August 18, 2024 from noon to 3 pm. Estimated attendance is 125 people.

G. Approval of Municipal Contribution Agreement between the Village of Lake Zurich and Botavi Wellness, LLC

Summary: Approval of this agreement would establish a revenue sharing arrangement through which Botavi Wellness, LLC (Bloc Dispensary) would contribute \$4,250 monthly for 24 months to the Village, for a total of \$102,000. Botavi has offered the revenue sharing in consideration of the Village's forbearance through their delays in opening their dispensary as originally proposed. The agreement would be effective starting October 1, 2024 and run through October 2026.

Recommended Action: A motion to approve the Consent Agenda as presented.

8. NEW BUSINESS

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

A. Fiscal Year 2023 Audit Results with Baker Tilley (Trustee Riley)

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, 2023.

Overall, Village finances fared well during Fiscal Year 2023. The General Fund surplus balance increased by \$553,000, bringing the total fund balance to \$14.5 million, of which \$1.7 million are non-spendable. The General Fund unrestricted balance sits at 37% of Fund expenditures as of the end of 2023, a significant accomplishment that allows for top bond ratings and lower interest rates for tax payers. The Village's official General Fund balance target is 40%.

This next part really shows how far Lake Zurich has come in the past decade with financial sustainability. Long-term bonded debt decreased \$1.9 million to a total of \$17.4 million outstanding as of December 31, 2023. Ten years ago, in 2013, this bonded debt was at \$34 million.

For business-type activities related to the Water and Sewer Fund, total net position increased by \$6.4 million, mostly due to water system infrastructure improvements. Net position for the Water and Sewer Fund mostly includes funds invested in capital assets. As municipal infrastructure continues to age, infrastructure improvements will continue to be a large drain of resources for the Water and Sewer Fund.

By the end of 2023, the total net position of the Village as a whole increased by \$14.2 million, compared to a \$9.9 million increase in 2022. Total net position includes all assets and liabilities held by the Village, which includes capital assets that depreciate over time as well as real estate.

Due to 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, 2023.

B. Agreement with FGM Architects for Fire Station Location and Deployment Analysis in the Amount Not-to-Exceed \$55,000 (Trustee Euker)

Summary: The Village 2024 budget includes \$50,000 in the General Fund for a fire station location study. The Village has grown significantly since Fire Station #1 was built in 1980 and this station no longer serves the community's needs.

Village staff recommends a contract with FGM Architects of Oak Brook to independently determine the best location for a future Fire Station #1 headquarters facility to replace the current station at 321 South Buesching Road.

FGM Architects, in partnership with consultants at Advanced Selections, will spend six to seven months performing deep-level mapping of demographics and service areas overlaid with incident data and call volume. At the end of this project, the Village will have a solid plan for a future station location, architectural site diagramming, and an approximate building size.

Recommended Action: A motion to approve an agreement with FGM Architects for a fire station location and deployment analysis in the amount not-to-exceed \$55,000.

C. Ordinance Amending Title 3, Chapter 2, Section 18 of the Village of Lake Zurich Municipal Code to Regulate Tobacco Dealers and Smoke Shops and Ban such Establishments from Selling Products Containing Delta-8 THC and Kratom (Assign Ord. #2024-08-579) (Trustee Spacone)

Summary: Unregulated cannabis-related products containing Delta-8 and Kratom are being sold in Lake Zurich at establishments that sell traditional liquor or tobacco products. There are concerns over retailers selling such products without any governmental oversight or safety controls.

An ordinance creating mandatory tobacco retail licensing in Lake Zurich is now proposed that would effectively ban the sale of unregulated Delta-8 and Kratom products from Lake Zurich establishments, using a layered approach through the end of 2024 with a total ban starting on January 1, 2025.

A local ban on such products would come with an economic impact, harming the revenue of small businesses such as gas stations and smoke shops that have a heavier reliance on these products to generate revenue compared to larger big-box stores.

If approved, the proposed Ordinance would immediately ban the sale of Delta-8 and Kratom products to anybody in Lake Zurich under the age of 21 and businesses would be prohibited from placing any additional orders of Delta-8 or Kratom products.

Starting on January 1, 2025, all Lake Zurich businesses wishing to sell traditional tobacco or vaping products would be required to obtain from the Village a \$200 tobacco retail license and would be prohibited from selling any Delta-8 or Kratom products.

Recommended Action: A motion to approve Ordinance #2024-08-579 Amending Title 3, Chapter 2, Section 18 of the Village of Lake Zurich Municipal Code to Regulate Tobacco Dealers and Smoke Shops and Ban such Establishments from Selling Products Containing Delta-8 THC and Kratom.

D. Authorization to Waive the Competitive Bid Process and Approve Replacement of Orchard Lift Station Pump in the Amount Not-to-Exceed \$26,138. (Trustee Spacone)

Summary: The Orchard Lift Station is an essential duplex facility of the Village's sanitary sewer collection system that serves the Rand Road and Route 22 commercial/retail corridor along with several residential subdivisions. Recently, one of the Orchard Lift Station pumps failed during normal operations. The failed pump was sent to Metropolitan pump Company to diagnosis which has indicated that it is more economical to place the pump than repair it. Metropolitan Pump Company has provided a proposal for \$26,138 for a new Hydromatic pump. This is an unanticipated expenditure in the FY 2024 budget however there are offsetting savings from the sanitary sewer infrastructure improvements to cover this expense.

Staff is recommending the competitive bid process be waived in an effort to expedite the replacement of the pump and return it to service as quickly as possible.

Recommended Action: A motion to approve an agreement with Metropolitan Pump Company for emergency repairs at the Orchard Lift Station in the amount not-to-exceed \$26,138.

E. Ordinance Approving a Special Use Permit for Dutchess Cannabis Dispensary at 909 South Rand Road (Assin Ord. #2024-08-580) (Trustee Marx)

Summary: Rubino Ventures, with the consent of property owner JAS Management, request a Special Use Permit to operate a cannabis dispensary

business at 909 South Rand Road. The current building is vacant with plans in the works to demolish the existing structure and redevelop the site with a new 3,500 square foot building with 25 parking spaces. No request for zoning relief are being requested by the applicant. The Planning and Zoning Commission held a public hearing on this request on July 18, 2024, voting 4-0 to recommend approval.

Recommended Action: A motion to approve Ordinance #2024-08-580 approving a Special Use Permit for Dutchess Cannabis Dispensary at 909 South Rand Road.

9. TRUSTEE REPORTS

10. VILLAGE STAFF REPORTS

11. ADJOURNMENT

The next regularly scheduled Village Board meeting is on Monday, August 19, 2024.

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.

*Agenda posted on July 31, 2024.