

APPROVED MINUTES

Board of Trustees
70 East Main Street



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

1. CALL TO ORDER by Mayor Tom Poynton at 7:01pm.

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.

Motion was made by Trustee Weider, seconded by Trustee Euker, to appoint Jake Marx to fill the position of Village Trustee with a term until April 30th, 2025

AYES: 5 Trustees Euker, Riley, Spacone, Sugrue, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

Mayor Poynton administered the Oath of Office to Jake Marx, and Trustee Marx took his seat on the dais.

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. Also in attendance: Village Manager Ray Keller, Village Atty. Scott Uhler, Finance Dir. Amy Sparkowski, Fire Chief Dave Pilgard, Police Chief Steve Husak, Dir. Of Community Development Sarosh Saher, Public Works Dir. Mike Brown.

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. Mayor Poynton read the Proclamation after Police Chief had acknowledged the retiring of D.C. Johnson. Mr. Johnson read a statement of thanks to the Department and Village.
- Promotion of Deputy Police Chief Anthony Grunder. Police Chief Husak gave background information and Mayor Poynton gave the Oath of Office. D.C. Grunder was pinned by his wife.
- Promotion of Police Sergeant Andrew Heer. Police Chief Husak gave background information and Mayor Poynton gave the Oath of Office. Sgt Heer was pinned by his wife.
- Oath of Office for Police Officer Jeremy Peace. Police Chief Husak gave background information and Mayor Poynton gave the Oath of Office. Officer Peace was pinned by his wife.

- **Fire Department**

- Oath of Office for Firefighter-Paramedic James Sawyer. Fire Chief Pilgard gave background information and Mayor Poynton gave the Oath of Office. F/P Sawyer was pinned by his wife.
- Oath of Office for Firefighter-Paramedic Zachary Steinhagen. Fire Chief Pilgard gave background information and Mayor Poynton gave the Oath of Office. F/P Steinhagen was pinned by his wife.
- Oath of Office for Lieutenant Kevin Michele. Fire Chief Pilgard gave background information and Mayor Poynton gave the Oath of Office. Lt. Michele was pinned by his brother.

6. PUBLIC COMMENT

William Howarth, 328 Denberry Drive, requested commenting on Agenda Item #8E at that time and Mayor Poynton granted his request.

7. CONSENT AGENDA

- * Agenda Item #7D was pulled from the Consent Agenda
- * Trustee Spacone requested pulling the Consent Agenda #7G for a separate vote.

- 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
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.

Agenda Item #7D pulled for the Consent Agenda.

- *D. Ordinance Approving Update to Liquor Code Title 3, Chapter 3, Article B
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 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.

Recommended Action: A motion was made by Trustee Weider, seconded by Trustee Euker, to approve the Consent Agenda with the removal of Agenda Items #7D and #7G.

AYES: 6 Trustees Euker, Marx, Riley, Spacone, Sugue, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

***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.

Trustee Spacone explained his reason for requesting the item being pulled from the Consent Agenda. He has concerns about being in business with Botavi Wellness due to their constant delays establishing their business. Village Manager Keller stated that in the past month the business has been meeting the village's timeline and their penalty payment has been received. Atty. Uhler advised the Board. V.M. Keller thanked Dir. Saher and Mary Meyer.

A motion was made by Trustee Riley, seconded by Trustee Sugrue, to approve a Municipal Contribution Agreement between the Village of Lake Zurich and Botavi Wellness, LLC

AYES: 4 Trustees Marx, Riley, Sugrue. Mayor Poynton.

NAYS: 3 Trustees Euker, Spacone, Weider.

ABSENT: 0

MOTION CARRIED.

8. NEW BUSINESS

A. Fiscal Year 2023 Audit Results with Baker Tilley

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.

Baker Tilly representative, Joe Lightcap, was introduced by Finance Dir. Amy Sparkowski. Finance Dir. Amy Sparkowski. The CAFR was presented by Baker Tilly with stating that there were no control methods to report. Mayor Poynton stated that it was a successful report showing that debt is being repaid and it is a testament to Staff and the Board. Trustee Riley mentioned the AAA Bond rating achieved by the Village.

Recommended Action: A motion was made by Trustee Weider, seconded by Trustee Sugrue, to approve and accept the Comprehensive Annual Financial Report for the fiscal year ended December 31, 2023.

AYES: 6 Trustees Euker, Marx, Riley, Spacone, Sugrue, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

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

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.

Village Manager Keller explained the reason for the study and Fire Chief Pilgard added comments. The study will be ready in 6 months.

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

AYES: 6 Trustees Euker, Marx, Riley, Spacone, Sugrue, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

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 ORD. #2024-08-579**

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.

Trustee Spacone gave background information and stated his reasons for bringing this forward. Police Chief Husak and V. M. Keller provided information.

Recommended Action: A motion was made by Trustee Spacone, seconded by Trustee Euker, 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.

AYES: 6 Trustees Euker, Marx, Riley, Spacone, Sugrue, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

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

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 replace 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.

Public Works Dir. Mike Brown explained the situation with the spare pump.

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

AYES: 6 Trustees Euker, Marx, Riley, Spacone, Sugrue, Weider.

NAYS: 0

ABSENT: 0

MOTION CARRIED.

E. Ordinance Approving a Special Use Permit for Dutchess Cannabis Dispensary at 909 South Rand Road ORD. #2024-08-580

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.

Mayor Poynton introduced Jason Sfire, owner of JAS Management, L.L.C, who addressed the Board on the project. His company will be builders and owners of the property. A PowerPoint presentation was given on the building and exterior samples were available at the meeting. The Board members commented on the project and P. W. Dir. Brown answered a question on the nearby pumping station being used for Lake Michigan water. Dir. Brown stated that that location is doubtful.

PUBLIC COMMENT: William Howarth, 328 Denberry Drive, addressed the Board with his support of the project.

Mayor Poynton closed Public Comment.

Dutchess dispensary staff continued the presentation. Their Attorney stated that all standards have been met per the staff report. Alexis Bigi Prow

continued the PowerPoint presentation and she answered the Board's questions. The timetable for construction is the building shell will be ready by the end of the year and then Dutchess will be ready by March 1st 2025. There was discussion about the community supporting 2 dispensaries, % of online sales and residents comments. Mr. John Sfire addressed the Board. Trustee Spacone suggested that the business working with LZ School #95, Ela Township's youth advisory group, LZ Police dept and others on the use of marijuana. Mayor Poynton made that request to the applicants and they agreed.

Recommended Action: A motion was made by Trustee Riley, seconded by Trustee Sugrue, to approve Ordinance #2024-08-580 approving a Special Use Permit for Dutchess Cannabis Dispensary at 909 South Rand Road.

AYES: 5 Trustees Euker, Marx, Riley, Sugrue, Weider.

NAYS: 1 Trustee Spacone.

MOTION CARRIED.

9. TRUSTEE REPORTS

There were none.

10. VILLAGE STAFF REPORTS

There were none.

11. ADJOURNMENT

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

AYES: 6 Trustees Euker, Marx, Riley, Spacone, Sugrue, Weider.

NAYS: 0

ABSENT: 0

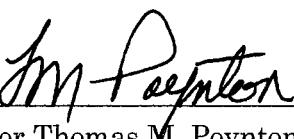
MOTION CARRIED.

The meeting was adjourned at 9.17pm.

Respectfully submitted:

Kathleen Johnson, Village Clerk.

Approved by:



Mayor Thomas M. Poynton

8-21-2024

Date

