

LAKE ZURICH ILLINOIS

STRATEGIC UPDATE



STATE OF THE VILLAGE 2018



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OUR VISION & OUR MISSION

Our vision: Lake Zurich is *the* premier community in Lake County offering a quality way of life, a thriving economy, diverse opportunity, and a commitment to fostering civic pride through community participation and ethical, professional governance.

Our mission: To provide our residents and businesses with exceptional quality municipal services. We will achieve this through strategic planning, fiscal responsibility, and transparent, accessible, and responsive municipal leadership and staff. This will result in continually improving quality-of-life and return on investment for all stakeholders in the community.

WELCOME TO THE VILLAGE OF LAKE ZURICH



HISTORY

Lake Zurich is located in the northwest suburbs of Chicago approximately 25 miles from O'Hare International Airport and the City of Chicago. Incorporated in 1896, the Village is part of a growing Lake County.

Lake Zurich's population has more than quadrupled since 1960, as the Village has shared in the economic growth that has come from an expanding Chicago metropolitan area.

Lake Zurich has developed into a community with above-average wealth and housing values and has a balanced tax and revenue base. The Village is known for its excellent schools and abundant recreational opportunities for its residents.

KEY DEMOGRAPHICS

LAND AREA 6.77 square miles

PERSONS PER SQ MILE 2,950

POPULATION 19,967

ETHNICITY White: 80.3%

Hispanic: 7.9% Asian: 9.3%

African-American: 0.8% Other: 1.6%

MEDIAN HOUSEHOLD INCOME \$108,669

MEDIAN HOME VALUE \$319,300

HOUSING UNITS 7,082

PERSONS PER HOUSEHOLD 2.82

MEAN TRAVEL TIME TO WORK 32.3 min

PERSONS BELOW POVERTY LEVEL 4%

EDUCATION LEVELS (People 25+ Years)

Associate's Degree 6.8%

Bachelor's Degree 35%

Graduate Degree 20.1%

ESTABLISHED COMMUNITY

Lived in Lake Zurich 5+ years: 83%

PRIMED FOR CONTINUED GROWTH

Growth since 2000: 10.3%

Population within 15 minute drive time: 176,651

HIGH TRAFFIC COUNTS

45,000 daily average on Rand Road

20,000 daily average on Route 22

HISTORIC POPULATION

1950 - 850

1960 - 3,458

1970 - 4,082

1980 - 8,222

1990 - 14,927

2000 - 18,104

2010 - 19,631

2018 - 20,054



LAKE ZURICH



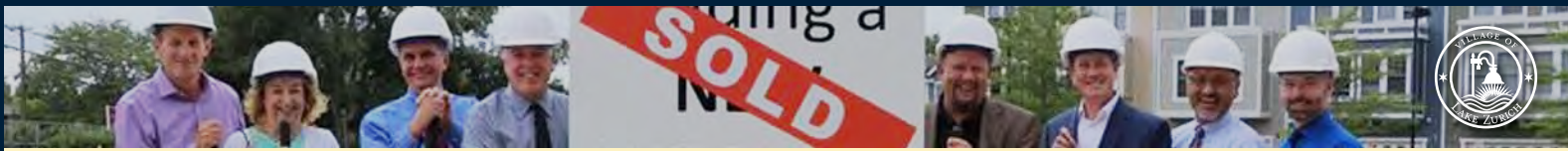
STRATEGIC PLAN MOVES INTO YEAR 4

Over the past year, the Village of Lake Zurich has made substantial progress in the implementation of its 2014-2019 Strategic Plan. This report highlights the Village's accomplishments, focusing on the progress made toward the realization of the community's long-term goals. Many projects are prioritized through the annual budgeting process, at which time staff and resources are allocated to achieve a particular objective. Several other objectives listed in the Strategic Plan are "ongoing" efforts, with the Village capitalizing on new opportunities as they arise, and will remain works in progress.

Strategic planning is an important tool that has been embraced by the Village Board and Executive Team. By evaluating the Village's current position, identifying areas for improvement, and setting goals for future years, a blueprint is created that provides the focus necessary to achieve organizational and performance excellence.

GUIDING PRINCIPLES

- ★ **TRUST AND INTEGRITY** Our organization is honest in our actions, open with our communications, and provides fair and dependable public services.
- ★ **TEAMWORK** Our organizational team achieves success through a collaborative approach utilizing our dedicated, innovative, and forward-thinking team of professionals to deliver high-quality public services.
- ★ **HIGH PERFORMANCE, QUALITY SERVICES** Our organization delivers cost-effective, efficient, and responsive public services evaluated through clearly defined performance-measures.
- ★ **CARING AND RESPECTFUL LEADERSHIP** Our organization provides guidance to our personnel and the community by establishing the people's goals and objectives derived from listening to needs.
- ★ **TRANSPARENCY AND ACCOUNTABILITY** Our organization is open, accessible, and promotes understanding throughout the community by educating the public about Village operations and services including communicating, on a regular basis, the progress of the strategic plan.
- ★ **DEDICATED PROFESSIONALS** In order to sustain itself, our organization must attract, develop, and retain qualified individuals with high ethical standards and a desire to serve the public.



FISCAL SUSTAINABILITY - ACCOMPLISHMENTS FROM PAST YEAR

TIF FUNDING Initiated steps to establish new Tax Increment Financing (TIF) district for the Rand Road corridor, providing a tool for incentivizing redevelopment and financing infrastructure improvements in the vicinity of the Kmart redevelopment.

PENSION OBLIGATIONS Increased public safety pension contributions to over \$4 million annually to ensure adequate funding of police and fire long-term statutory and actuarial obligations.

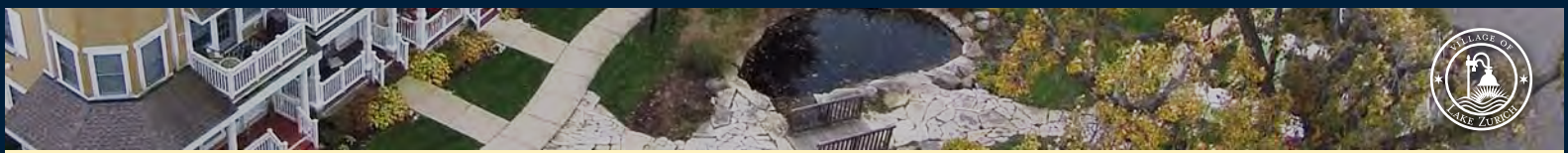
ORGANIZATIONAL EFFICIENCIES Increased organizational efficiencies by using a partnership with Lake County to provide full-time building inspection services. Overall, the Village full-time personnel count was decreased by one position in 2017. Full-time staffing is now down 21 positions from just nine years ago, a drop of almost 12%.

FINANCIAL FORECASTS Developed five-year financial forecasts for 17 municipal funds, which are updated at least quarterly. These help monitor the long-term financial outlook of the Village, determining available funding for capital projects and assisting in setting budget goals for departments.

CAPITAL PLANNING Updated the Village's Community Investment Plan to a 20 year horizon to evaluate and prioritize infrastructure investment. The Village maintains over \$130 million in infrastructure, including roads, water mains, sanitary and storm sewers, buildings and equipment.

BOOSTING RESERVES Funded operations for another year without drawing down the fund balance of the General Fund. Better-than-expected budgetary performance for this fund resulted in a 2016B budget surplus of \$365k, bringing the General Fund reserves to a balance of \$8.4 million in unreserved fund balance, or 32%. The Village has a General Fund Reserve Target of 40% of current year expenditures.





AAA STABLE BOND RATING

Standard and Poor's reaffirmed Lake Zurich's AAA long-term bond rating on General Obligation Debt, calling the Village's financial outlook "stable" and management policies "strong." The AAA rating status is achieved by less than 3% of Illinois municipal governments.

WHERE YOUR TAX DOLLARS ARE BEING SPENT

Property tax revenues are distributed to a number of taxing bodies, as illustrated below. For every \$100 of your property tax bill, less than \$15 goes to the Village, based on your 2015 property tax bill.





DEVELOPMENT - ACCOMPLISHMENTS FROM PAST YEAR

K-MART REDEVELOPMENT Pending mixed-use redevelopment of this seven acre property into 162 apartments and some 19,000 square feet of commercial space, including restaurant space.

SPARROW RIDGE PLAZA Rand Road's newest shopping center is under construction just south of Lake Zurich's Secretary of State location, including about 3,500 square feet of retail, a child daycare center, gas station, and drive-through restaurant with outdoor seating.

AZPIRA PLACE SENIOR LIVING The 120-unit assisted living facility opened its doors in Lake Zurich in spring 2017. The facility is managed by Pathway Senior Living which has facilities in the Midwest including Illinois, Wisconsin, Minnesota and Kansas.

DAVENPORT FUNERAL HOME Completion of 12,000 square foot facility north of the Inland Bank on Old Rand Road. This is the third Davenport location, with others in Barrington and Crystal Lake.

DOWNTOWN SOMERSET TOWNHOMES COMPLETE Construction is complete on the 39 Somerset Townhomes downtown and nearly all of the units have been sold to new Lake Zurich families.

DOWNTOWN "SOMERSET BY THE LAKE" APARTMENTS In August 2017 the Village officially sold the 1.4 acre downtown Block C for the development of 48 apartment units in two buildings, currently under construction at the corner of Main Street and Old Rand Road. The village concurrently began a project to bury utilities along the portion of West Main Street between Old Rand Road and Lake Street.

CONSTRUCTION VALUE OF NEW PERMITS The Village has issued \$11.3 million worth of new construction permits in 2017, yielding a higher value than the previous year, evidence of a healthy and stable economy and private sector investment in Lake Zurich.

INDUSTRIAL PARK THRIVES IN LAKE ZURICH ECONOMY...

LIFE STORAGE New facility with 250 storage lockers filling 26,000 sq ft at corner of Rt 22 and Buesching Rd.

BISH CREATIVE DISPLAY Expansion in industrial park to grow current operations by 20,000 sq ft of a leader in design and creation of merchandising displays.

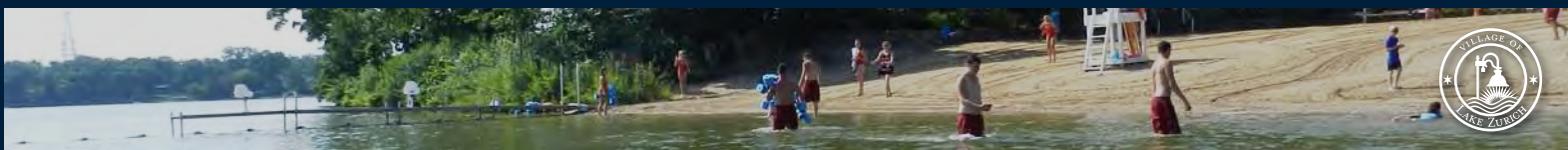
SCREENFLEX Industrial Park manufacturer of portable room dividers added 25,600 sq ft of warehouse space to their existing facility.

CREATE IT PACKAGING Lake Zurich packaging and display company added 15,350 sq ft to their facility on Telser Rd.

ECHO Global outdoor power equipment manufacturer completed large 50,000 sq ft expansion to its North American corporate headquarters in Lake Zurich, where they have been since 1985.

GPM MANUFACTURING High-precision machine shop added another 20,000 sq ft, nearly doubling the size of their Lake Zurich facility on Flex Court.

SCHAFF PIANO SUPPLY COMPANY New 44,750 square foot building currently under construction on Ensell Road to accommodate this growing company that has operated out of Lake Zurich since 1978.



INFRASTRUCTURE - ACCOMPLISHMENTS FROM PAST YEAR

LIFT STATION UPGRADES Replacement pumps have been installed at the Concord lift station and a new control panel installed at the Bristol Trails lift station. Lift stations pump wastewater to higher elevations when gravity is not sufficient to get the job done.

OVERHEAD WIRES BURIED DOWNTOWN To facilitate downtown redevelopment projects, the Village is working with ComEd, Comcast, and AT&T to bury overhead utilities along West Main Street. The Village received \$270,000 from the developers of the "Somerset by the Lake" downtown apartments to fund this project.

20 YEAR COMMUNITY INVESTMENT PLAN The Village has evaluated the capital needs of the community for the next 20 years in the CIP, prioritizing infrastructure projects worth over \$130 million, including roads, water mains, sanitary and storm sewers, buildings, and equipment.

INVESTING IN LOCAL STREETS Invested over \$1 million in the 2017 road resurfacing program, providing new streets to Sparrow Ridge and Countryside West subdivisions, Robertson Road, South Shore Lane, and Ironwood Court.

CURB & SIDEWALK REPLACEMENT \$150,000 of repairs to improve sidewalk and curbs, an annual commitment to providing safe pedestrian routes and maintaining the flow of storm water runoff.

ROUTE 22 WATER SERVICE RELOCATIONS Sections of water services lines have been replaced at businesses located along the north side of the 500 block of Route 22, boosting the water flow to this area and increasing the size of water mains.

SANITARY SEWER TELEVISION Conducted televising services on 10+ miles of large diameter sewer pipes to detect weak points in the system before they crumble to minimize expensive and reactionary emergency repairs.

WATER METER REPLACEMENT PROGRAM The Village is replacing about 6,700 old water meters with new automated meters that transmit wirelessly to provide more accurate water usage data and identify potential leaks in the system.

PAULUS PARK BEACH EXPANSION The Village used grant funds from the Lake County Stormwater Management Commission to provide a larger sandy beach at Paulus Park, nearly doubling the size of the beach that attracts 4,000 people each summer.





SERVICE SUSTAINABILITY - ACCOMPLISHMENTS FROM PAST YEAR

PLANNING AHEAD Lake Zurich continues to operate under the cloud of the State of Illinois' fiscal crisis. The Village remains vigilant of State actions that would impair local decision making authority and divert local revenues to solve State problems. As in the past, the Village continues to hope for the best but prepare contingencies for less favorable scenarios.

SSA BUDGET AND MAINTENANCE PLANS The Village has partnered with homeowner associations to create 20 year forecasts for the tax revenue collected in Special Service Area's for Heatherleigh, Willow Ponds, Westberry, Lake Zurich Pines, and Coventry Creek. These dedicated tax revenues are for maintaining storm water, right-of- way, and natural areas within these five subdivisions.

SHARING RESOURCES WITH OUR NEIGHBORS Lake Zurich has renewed its partnership with Kildeer to provide fuel sharing and fleet repairs for municipal vehicles, decreasing admin costs and minimizing local government redundancy.

STEP PROGRAM Work continues with Illinois Energy Now, Savings Through Efficient Products (STEP) program, obtaining high-quality energy savings products that are 100% free for the Village. Public Works has replaced faucet aerators, light bulbs, LED retrofit kits, showerheads, exit signs, and occupancy sensors.

RENEGOTIATED PUBLIC SAFETY UNION CONTRACTS During 2017, collective bargaining agreements between the Village, the Fraternal Order of Police, and the International Association of Firefighters were successfully renegotiated for another three years of sustainable and productive relations between management and labor.

STEADY FUNDING OF PARKWAY TREE REPLACEMENTS The Village has embarked on a long road to replace the nearly 3,000 ash trees lost to the invasive Emerald Ash Borer beetle and continues funding the parkway tree replacement program at \$50,000 a year.

PD REORGANIZATION The Police Department underwent an organizational assessment in 2017, resulting in a more efficient staffing structure that has reduced personnel costs by some \$57,000 while also increasing the capacity of Lake Zurich's 911 dispatch center.

HOSTED 40 SPECIAL EVENTS The Village continues to emphasize the importance of special events year-round, providing positive experiences for the community and guests to enjoy Lake Zurich fun and hospitality.

RENEGOTIATED LPOA AGREEMENT Partnered with neighbors at the Lake Property Owners Association on an updated five-year agreement for the Village's lake patrol services to more accurately reflect expectations for municipal services while promoting the safety of all users of the lake.

INSURANCE POOLING In 2017, the Village joined the Intergovernmental Personnel Benefits Cooperative, a group of over 100 local governments that provides economies of scale and insurance pooling. This gives Lake Zurich more financial stability than offered by the commercial insurance market.



EARNING GRANTS TO DO MORE WITH LESS Staff at the Village work hard throughout the year submitting grant applications to larger government agencies. In times where State grants are extremely limited and Federal grants are extremely competitive, Lake Zurich does pretty well at earning grants for local projects and initiatives. In 2017, we earned \$75,800 in grants.

- ★ **BEACH EXPANSION (\$20,000)** Nearly doubling the size of the beach at Paulus Park was made possible by a \$20k grant by the Lake County Stormwater Management Commission, providing a larger sandy area to the community and in future years, facilitating a larger swim area.
- ★ **DOWNTOWN BEAUTIFICATION (\$20,000)** Staff secured \$20k from Canadian National Rail and America in Bloom for flowers, shrubs, and improved landscaping around Village Hall and Rotary Park, as well as boosting the number of parkway trees planted in 2017.
- ★ **TRAFFIC SAFETY (\$31,000)** The Illinois Department of Transportation awarded LZPD with funds to reduce motor vehicle crashes and increase the use of seat belts by increasing the number of patrol hours officers are on the road.
- ★ **SHOP WITH A COP (\$2,500)** Officers partnered with Wal-Mart to offer low-income kids a holiday shopping trip, gift wrapping, and a pizza party at the police department during December.
- ★ **BULLET-PROOF GRANTS (\$2,300)** New high-quality, life-saving vests were purchased for police officers thanks to assistance from the Federal Bullet Proof Vest Program.





CIVIC ENGAGEMENT - ACCOMPLISHMENTS FROM PAST YEAR

NATIONAL CITIZEN SURVEY 95% of residents rated Lake Zurich as an excellent or good place to live and 97% rated our Village as a great place to raise children as the Village conducted its 2nd National Citizen Survey over the summer months of 2017. Resident opinions on every single aspect of "Governance" improved from the 2015 survey to the 2017 survey.

COFFEE WITH THE MAYOR Mayor Poynton has monthly sit downs at the Koffee Kup in downtown Lake Zurich with residents and business owners. No invitations are needed and everyone is welcome. If you have any questions, concerns, or comments about life in Lake Zurich, please feel free to stop in and chat for a few minutes. The Mayor will be at the Koffee Kup the third Wednesday of each month starting at 9 am.

COFFEE WITH A COP Local officers come together with community members to discuss issues, build relationships and of course...drink coffee. Coffee with a Cop breaks down barriers that often exist between law enforcement and the people they serve.

FIRE DEPARTMENT OPEN HOUSE Lake Zurich's Bravest open their fire station each October for hundreds of families to drop by to meet firefighters, check out equipment, and view demonstrations.

SHOP WITH A COP Lake Zurich's Finest brought local youth to the Shop with a Cop event over the holidays in 2017, allowing kids to partner with police to prepare for the holidays and build relationships with law enforcement that can last a lifetime.

BIKE SAFETY PROGRAM From Memorial Day through Labor Day, police officers were on the lookout for kids wearing bike helmets. If you're caught wearing a helmet...you are issued a citation for free ice cream and entreated into a drawing to win a new bike!

PARTIES ON YOUR BLOCK Police and fire stop by at many neighborhood block parties throughout the warm months to provide fun courtesy visits with engines and squad cars.





LAKE ZURICH'S PRIMARY ACTION ITEMS FOR 2018 & BEYOND

- ★ Complete the setup of a new Tax Increment Financing (TIF) district for the Rand Road corridor, providing a long-term financing tool for redevelopment and infrastructure improvements in the area.
- ★ Construct and contract for the operation of a new beverage pavilion amenity at Breezewald Park to increase activity in the downtown area.
- ★ Update the Village's Comprehensive Plan to reflect Lake Zurich's status as a mature, redeveloping community and to emphasize flexibility when exploring redevelopment and infill opportunities.
- ★ Begin implementation of new integrated enterprise resource platform for core functions of municipal operations.
- ★ Complete televising of sanitary sewers and develop lining/replacement program to minimize future sewer collapses.
- ★ Complete the meter replacement program and water performance improvement project, focusing on increasing efficiency, transparency, equity and sustainability.
- ★ Develop a Paulus Park Optimization Plan, exploring options for maximizing the configuration of the community's primary park site.
- ★ Update the long-standing service agreement with the Lake Zurich Rural Fire Protection District.
- ★ Develop a five-year action plan for consolidated emergency dispatch services.
- ★ Update the Strategic Plan, as the Village enters Year 4 of the five-year plan in FY2018.

