

AMENDED
LAKE ZURICH BOARD OF TRUSTEES
REGULAR MEETING
70 East Main Street

Tuesday, February 17, 2009

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 7:03 pm.

Present were Village President Tolomei, Trustees Branding, Callahan, Johnson, McAvoy, Poynton, and Taylor. Also present were Village Administrator Vitas, Village Attorney Burkland, Police Chief Finlon, Public Works Director/Engineer Heyden, Police Chief Mastandrea, Park Director Perkins, Building/Zoning Director Peterson, and Finance Director Zochowski.

2. PLEDGE OF ALLEGIANCE

3. PRESIDENT'S REPORT

No report.

4. PUBLIC COMMENT

Rich Sustich, 217 Sandy Point Lane, spoke regarding the necessary refinancing of the bonds but requested certain verbiage be added to clarify the distribution of these funds.

Jim Tarbet, 1195 Cedar Creek Drive, echoed Mr. Sustich's comments and questioned whether a *bond hearing was held on the Series D Taxable General Obligation Refunding Bonds*. Mr. Tarbet also requested clarification on the price tag of certain parcels for sale as well as the location of the two million dollars from McCaffery Interests.

Jonathan Sprawka, 332 N. Pleasant Road, wondered how the consumer price index was determined and how the bonds will be paid if the condos are not sold by 2013. Mr. Sprawka also requested an explanation about the retroactive water bill.

Jeff Halen, 154 S. Pleasant Road, requested the opportunity to address the landscaping plan for the Holiday Inn, item 10E under new business at that time. Speaking from experience on this issue, Mr. Halen proposed several suggestions to protect the residents abutting future development.

President Tolomei apologized for the mishandling of the increased water bills.

5. APPROVAL OF MINUTES

A. Regular Village Board meeting January 19, 2009

MOTION was made by Trustee McAvoy, seconded by Trustee Poynton, to approve the Regular Village Board meeting minutes of January 19, 2009, as presented.

Voice vote, all in favor.

MOTION CARRIED

B. Special Village Board meeting January 28, 2009

MOTION was made by Trustee Callahan, seconded by Trustee McAvoy, to approve the Special Village Board meeting minutes of January 28, 2009, as presented.

Voice vote, all in favor.

MOTION CARRIED

C. Special Village Board meeting February 2, 2009

MOTION was made by Trustee McAvoy, seconded by Trustee Taylor, to approve the Special Village Board meeting minutes of the February 2, 2009, as presented.

Voice vote, all in favor.

MOTION CARRIED.

6. CONSENT AGENDA

Consent agenda items A and H were removed and placed under Other Business for further discussion.

- B. Bid award, July 4, 2009 fireworks display. The Public Works Committee recommends approval and the Board of Trustees approves a contract with J & M Displays in the amount of \$20,000 for the July 4, 2009 fireworks display.
- C. ACS Relay for Life, June 13-14, 2009, special event permit. The Public Works Committee recommends approval and the Board of Trustees approves the request from American Cancer Society to use Paulus Park for the Relay for Life event on June 13-14, 2009 with payment of applicable fees.
- D. Alpine Races, September 20, 2009, special event permit. The Public Works Committee recommends approval and the Board of Trustees approves (1) the request for Alpine Races to use Paulus Park and the Barn on September 20, 2009 with payment of applicable fees and (2) a Resolution to IDOT seeking permission to close local roadways. (Assign RES. #2009-02-17A)
- E. Chamber Taste of Towns, August 30, 2009, special event permit. The Public Works Committee recommends approval and the Board of Trustees approves the request from LZACC to use Paulus Park for the Taste of Towns event on August 30, 2009 with payment of applicable fees.
- F. Renewal of intergovernmental agreement with SWALCO for recycling. The Public Works Committee recommends approval and the Board of Trustees approves an intergovernmental agreement with SWALCO for recycling.
- G. Selection of engineering consultant, CMAQ sidewalk project on South Old Rand Road. The Public Works Committee recommends approval and the Board of Trustees approves an agreement, as presented, with 2IM Group, LLC as engineering consultant for the South Old Rand Road/Surryse Road sidewalk extension project.
- I. Firearms range, vendor selection. The Public Safety Committee recommends approval and the Board of Trustees approves a contract with Computer Design Ranges to install firearms range equipment at the Police Facility at a cost of \$218,803.00.

- J. Newsline, March issue. The Committee of the Whole recommends approval and the Board of Trustees approves this edition of the *Newsline* subject to addition of the Mayor's column.

MOTION was made by Trustee Johnson, seconded by Trustee Callahan, to approve the Consent Agenda as read.

AYES: 6 Trustees Branding, Callahan, Johnson, McAvoy, Poynton, and Taylor

NAYES: 0

MOTION CARRIED

7. ADMINISTRATOR'S REPORT

- A. TIF Extension update

As of today, the Village is in receipt of a letter from the Lake Zurich Rural Fire Protection District approving the extension of the TIF district. Approval from the School District is pending until they have time to review the documents they requested. The Board is requesting to proceed with a four year extension, rather than the normal 12 year.

Trustee Johnson requested clarification on whether the TIF would be corrected with the three small errors and what action needed to be taken to ensure this took place. Administrator Vitas concurred direction was given and is being acted on.

Trustee Taylor again requested whether the TIF could be challenged if these changes to the TIF were made. Attorney Burkland did not believe this to be the case and explained the factors of determining the extension of the TIF.

- B. Canadian National update

Principals from the Village and the School District met last week with a representative from the Canadian National to discuss mitigation issues and the impact to residents and schools along the line. Unfortunately the liaison from the CN was not in a position to negotiate these issues. A future meeting will be held to continue discussions. The CN also announced additional trains will begin after March 4th.

- C. Administrator Vitas recently sent a letter out explaining the history behind the recent water/sewer increase from the County and the effect to the resident's water bills.

8. ATTORNEY'S REPORT

No report.

9. OTHER BUSINESS

- A. Warrant dated February 2, 2009. Consideration of remaining balance from February 2, 2009 approved warrant register in the amount of \$196,356.

MOTION was made by Trustee McAvoy, second by Trustee Poynton to approve the Warrant dated February 2, 2009, in the amount of \$196,356.

AYES: 5 Trustees Callahan, Johnson, McAvoy, Poynton, and Taylor

NAYES: 0

ABSTAIN: 1 Trustee Branding

MOTION CARRIED

B. Continuation of discussion on ESG agreement, housekeeping changes.

Trustee Branding read a prepared statement requesting the Village table the approval of a proposed redevelopment contract with ESG for three reasons: due diligence, regulatory studies, and financial projections and assumptions.

MOTION was made by Trustee Branding, seconded by Trustee Poynton, to table the approval of the proposed redevelopment contract between the Village of Lake Zurich and ESG.

AYES: 3 Trustees Branding, Johnson, and Poynton

NAYES: 4 President Tolomei, Trustees Callahan, McAvoy and Taylor

MOTION FAILED

Consent Agenda Items:

A. Dietzen, 240 Whitney Road #33, yard variation, manufactured home relocation. The Planning and Development Committee recommends approval and the Board of Trustees approves AN ORDINANCE GRANTING A VARIATION FOR 240 WHITNEY ROAD #33. (Assign ORD. #2009-02-612)

Building/Zoning Director Peterson requested this item be tabled for further review. The Village is now aware that approving this required variation would put the Village of Lake Zurich in violation of state law requiring a 5 foot minimum setback.

Paul Dietzen, 240 Whitney Road, Unit #33, advised the Board of a fax he received from the state listing five foot requirements going back to 1955. They are currently requesting a four foot variance. At this point, twelve trailers are currently in violation. Mr. Dietzen is willing to abide by the five foot rule.

MOTION was made by Trustee Johnson, seconded by Trustee Branding, to amend the ordinance from four feet to five feet.

MOTION WITHDRAWN from Trustee Johnson

SECOND WITHDRAWN from Trustee Branding

MOTION was made by Trustee McAvoy, seconded by Trustee Johnson, to approve an ordinance granting a variation for 240 Whitney Road, #33, ordinance 2009-02-612, including an amendment to Section 2 for the variation changed from a minimum of seven feet to five feet.

AYES: 6 Trustees Branding, Callahan, Johnson, McAvoy, Poynton, and Taylor

NAYES: 0

MOTION CARRIED

H. Beach pass fees. The Public Works Committee recommends approval and the Board of Trustees approves an increase to beach pass fees commencing in 2009 from \$40 to \$50 per family and from \$20 to \$25 per individual for residents; and from \$80 to \$100 per family and from \$40 to \$50 per individual for nonresidents. (Breezewald Park beach remains under study).

Trustee Johnson originally agreed to increasing fees for Breezewald Park. But due to economic times and further discussions with residents, Trustee Johnson stated his opposition to this increase.

Director Perkins reminded the Board these fees were instituted to offset the expenses in the aquatics department.

Trustee Taylor reminded everyone that Park Director Perkins was hired to generate funds and keep losses in the Park Department at a minimum.

MOTION was made by Trustee Callahan, seconded by Trustee Branding, to approve an increase to Beach pass fees commencing in 2009 from \$40 to \$50 per family and from \$20 to \$25 per individual for residents; and from \$80 to \$100 per family and from \$40 to \$50 per individual for nonresidents.

AYES: 4 Trustees Branding, Callahan, McAvoy, and Taylor

NAYES: 2 Trustees Johnson and Poynton

MOTION CARRIED

10. NEW BUSINESS

A. Warrant dated February 17, 2009. Consideration of semi-monthly warrant register dated February 17, 2009 totaling \$393,023.94.

All items over 5% were reviewed by the Board.

MOTION was made by Trustee McAvoy, seconded by Trustee Poynton, to approve the semi-monthly warrant register dated February 17, 2009 totaling \$393,023.94.

AYES: 5 Trustees Callahan, Johnson, McAvoy, Poynton, and Taylor

NAYES: 0

ABSTAIN: 1 Trustee Branding

MOTION CARRIED

B. SWALCO Oil Collection Program. Consideration of Amendment Number 5 to the Intergovernmental Agreement between the Village of Lake Zurich and Solid Waste Agency of Lake County, Illinois for residential oil collection and disposal program.

Trustee Branding advised this amendment will extend our current intergovernmental agreement between the Village of Lake Zurich and the Solid Waste Agency of Lake County until December 31, 2010, for its residential oil collection and disposal program. The Lake Zurich drop off disposal is located at the Public Works facility on Telser Road.

MOTION was made by Trustee Callahan, seconded by Trustee Branding, to approve Amendment Number 5 to the Intergovernmental Agreement between the Village of Lake Zurich and Solid Waste Agency of Lake County extending the date until December 31, 2010.

AYES: 6 Trustees Branding, Callahan, Johnson, McAvoy, Poynton, and Taylor
NAYES: 0
MOTION CARRIED

- C. Resolution approving a plat of easement for Ela Road. Consideration of a Resolution approving a plat of easement for drainage purposes on Ela Road. (Assign RES. #2009-02-17B)

The easement approval was addressed at a prior meeting; however, the resolution was not prepared at that time.

MOTION by Trustee Taylor, seconded by Trustee McAvoy, to approve a plat of easement for drainage purposes on Ela Road, ordinance #2009-02-17B.

AYES: 6 Trustees Branding, Callahan, Johnson, McAvoy, Poynton, and Taylor
NAYES: 0
MOTION CARRIED

- D. Resolution authorizing the approval of a Non-union Job Classification and Pay Plan. Consideration of a Resolution authorizing the approval of a Non-union Job Classification and Pay Plan based on a study performed by the PAR Group, LLC. (Assign RES. #2009-02-17C)

Administrator Vitas has addressed the compensation issues within the Village by hiring the PAR Group to complete an intensive study. This study was able to establish internal equity and external comparability and help forecast personnel expenses for the upcoming future year budgets.

MOTION was made by Trustee Johnson, seconded by Trustee Branding, to approve a Resolution authorizing the approval of a non-union job classification and pay plan based on a study performed by the PAR Group, LLC, ordinance 2009-02-17C.

AYES: 6 Trustees Branding, Callahan, Johnson, McAvoy, Poynton, and Taylor
NAYES: 0
MOTION CARRIED

- E. Freed, landscaping plan for Holiday Inn. Consideration of the landscaping plan for Holiday Inn, 195 S. Rand Road.

Building/Zoning Director Peterson announced a final agreement for supplemental landscaping for the FNC/Holiday Inn has been reached and the highlights were reviewed. Joseph Freed agreed to maintain the trees placed on the resident's side for a maximum of five years. Staff will review the wording of this warranty after conferring with the Village arborist.

MOTION was made by Trustee Callahan, seconded by Trustee McAvoy, to approve the supplemental landscaping plan as shown per plan revision dated January 20, 2009, subject to wording on warranty provided from the Village Attorney.

AYES: 6 Trustees Branding, Callahan, Johnson, McAvoy, Poynton, and Taylor
NAYES: 0
MOTION CARRIED

Finance Director Zochowski responded to questions raised during public comment and explained the 2009A funding bonds would be used to repay the Inland Bank loan and create reserves for litigation with McCaffery and LaSalle Bank.

John Repsholdt, Ehlers and Associates, addressed the issues on the consumer price index and questions raised by Trustee Branding. He went on to explain that these bonds do not create any new money for the Village but rather they restructure the debts for the next four years.

Trustee Johnson suggested a verbiage change to page two of the 2009A bond ordinance to clarify how this particular bond can be spent. Finance Director Zochowski clarified the loan on the TIF has been reduced to approximately 25 million over the past several years.

F. Consideration of AN ORDINANCE authorizing the issuance of Taxable General Obligation Funding Bonds (Alternate Revenue Source), Series 2009A, of the Village of Lake Zurich, Lake County, Illinois, for the purpose of paying, reimbursing and creating certain reserves for redevelopment project costs, authorizing the execution of a bond order and providing for the imposition of taxes and the collection, segregation and distribution of certain revenues of the Village to pay the same. (Assign ORD. #2009-02-613)

MOTION was made by Trustee Taylor, seconded by Trustee Callahan, to approve an Ordinance authorizing the issuance of Taxable General Obligation Funding bonds, Series 2009A, ordinance 2009-02-613, as amended.

AYES: 5 Trustees Callahan, Johnson, McAvoy, Poynton, and Taylor

NAYES: 0

ABSTAIN: 1 Trustee Branding

MOTION CARRIED

G. Consideration of AN ORDINANCE authorizing the issuance of Taxable General Obligation Refunding Bonds (Alternate Revenue Source), Series 2009B, of the Village of Lake Zurich, Lake County, Illinois, for the purpose of refunding certain bonds heretofore issued to pay redevelopment project costs, authorizing the execution of a bond order and an escrow agreement and providing for the imposition of taxes and the collection, segregation and distribution of certain revenues of the Village to pay the same. (Assign ORD. #2009-02-614)

MOTION was made by Trustee Taylor, seconded by Trustee McAvoy, to approve an Ordinance authorizing the issuance of Taxable General Obligation Refunding Bonds, Series 2009B, ordinance 2009-02-614.

AYES: 5 Trustees Callahan, Johnson, McAvoy, Poynton, and Taylor

NAYES: 0

ABSTAIN: 1 Trustee Branding

MOTION CARRIED

H. Consideration of AN ORDINANCE authorizing the issuance of General Obligation Refunding Bonds (Alternate Revenue Source), Series 2009C, of the Village of Lake Zurich, Lake County, Illinois, for the purpose of refunding certain outstanding bonds, authorizing the execution of a bond order and an escrow agreement in connection therewith and providing for the imposition of taxes and

the collection, segregation and distribution of certain revenues of the Village to pay the same. (Assign ORD. #2009-02-615)

MOTION was made by Trustee Taylor, seconded by Trustee Johnson, to approve an Ordinance authorizing the issuance of General Obligation Refunding Bonds, Series 2009C, ordinance 2009-02-615.

AYES: 5 Trustees Callahan, Johnson, McAvoy, Poynton, and Taylor

NAYES: 0

ABSTAIN: 1 Trustee Branding

MOTION CARRIED

- I. Consideration of AN ORDINANCE providing for the issuance of not to exceed \$475,000 Taxable General Obligation Refunding Bonds (Limited Tax), Series 2009D, of the Village of Lake Zurich, Lake County, Illinois, authorizing the execution of a bond order in connection therewith and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds. (Assign ORD. #2009-02-616)

MOTION was made by Trustee Taylor, seconded by Trustee McAvoy, to approve an Ordinance providing for the issuance of not to exceed \$475,000 Taxable General Obligation Refunding bonds, Series 2009D, ordinance #2009-02-616.

AYES: 5 Trustees Callahan, Johnson, McAvoy, Poynton, and Taylor

NAYES: 0

ABSTAIN: 1 Trustee Branding

MOTION CARRIED

11. TRUSTEE REPORTS

No reports.

12. EXECUTIVE SESSION for the purpose of discussing pending, probable or imminent litigation, the purchase or lease of real property and/or the sale or lease of Village-owned property, and closed session records.

MOTION was made by Trustee Johnson, seconded by Trustee Taylor, to adjourn to Executive Session for the purpose of discussing pending, probable or imminent litigation, the purchase or lease of real property and/or the sale or lease of Village-owned property, and closed session records and to reconvene to open session.

AYES: 6 Trustees Branding, Callahan, Johnson, McAvoy, Poynton, and Taylor

NAYES: 0

MOTION CARRIED

The meeting recessed to Executive Session at 9:04 pm.

MOTION was made by Trustee Callahan, seconded by Trustee Taylor, to reconvene the meeting.

Voice vote, all in favor.

MOTION CARRIED

The meeting reconvened to open session at 10:22 pm.

13. Consideration of objection to pending destruction of certain closed session verbatim records

MOTION was made by Trustee McAvoy, seconded by Trustee Johnson, to delay destruction of tape for Executive Session dated April 2, 2007 pending Trustee Branding's review of the tape after April 7, 2009.

AYES: 6 Trustees Branding, Callahan, Johnson, McAvoy, Poynton, and Taylor

NAYES: 0

MOTION CARRIED

Trustee Branding explained her request to review the tape as "just being curious" since it pertains to Comet Welding.

14. ADJOURNMENT

MOTION was made by Trustee Johnson, seconded by Trustee Poynton, to adjourn the meeting.

Voice vote, all in favor.

MOTION CARRIED

The meeting adjourned at 10:23 pm.

Respectfully submitted: *Gloria M. Palmlad, Village Clerk*

Approved by: _____
President John G. Tolomei