

APPROVED
**LAKE ZURICH BOARD OF TRUSTEES
REGULAR MEETING
70 East Main Street**

Monday, December 3, 2007

1. CALL TO ORDER AND ROLL CALL

Meeting was called to order at 7:37 pm.

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

2. PLEDGE OF ALLEGIANCE

3. PRESIDENT'S REPORT

A. Certificate of Recognition, *St. Francis de Sales Catholic School*, Principal Roy Rash – National Blue Ribbon School

Mr. Roy Rash, Principal of St. Frances de Sales School, gave a brief description of this award as he accepted a Certificate of Recognition as a National Blue Ribbon School from the Village of Lake Zurich.

B. Proclamation Honoring *John Fulton Dixon*, for his service to the Village of Lake Zurich

Village Administrator Dixon is retiring on December 31, 2007. A proclamation honoring Administrator Dixon was read by Clerk Palmblad. Village Administrator Dixon thanked the Board for the recognition. He thanked the staff and prior Village Boards for allowing him to participate in different activities outside of the Village as well as support his personal goals and achievements for the Village of Lake Zurich.

Michael Talbet, resident and Lake County Board Member, also read a proclamation recognizing Village Administrator Dixon, on behalf of the Lake County Board.

Village President Tolomei thanked Village Administrator Dixon for his 16 years of distinguished service to the Village of Lake Zurich, with a combined 33 years of service in the Northwest Suburban area.

C. Introduction of new Village Administrator Bob Vitas

Village President Tolomei introduced newly hired Mr. Bob Vitas. Mr. Vitas comes to the Village with a wealth of experience during his tenure. He will begin his duties as Village Administrator on December 31, 2007, upon Administrator Dixon's retirement. A summary of his work experiences was read by Village President Tolomei.

Mr. Vitas thanked the Board for their confidence and promises not to disappoint the community and staff.

D. Annual Schedule of Meetings for 2008

The Tree Commission decided to change their meeting date from the third Thursday to the third Monday. A revised meeting scheduled was distributed prior to the evening's meeting.

MOTION was made by Trustee McAvoy, seconded by Trustee Callahan, to approve the revised Annual Schedule of Meetings for 2008.

Voice vote, all in favor.

MOTION CARRIED

E. Proclamation, *National Drunk and Drugged Driving (3D) Prevention Month, December, 2007*

A proclamation recognizing National Drunk and Drugged Driving Prevention Month for December was read by Village Clerk Palmblad.

4. PUBLIC COMMENT

No comments.

5. APPROVAL OF MINUTES

A. Regular Village Board meeting November 19, 2007

MOTION was made by Trustee Johnson, seconded by Trustee Branding, to approve the Regular Village Board meeting minutes of November 19, 2007 as presented.

Voice vote, all in favor.

MOTION CARRIED

6. CONSENT AGENDA

A. Warrant dated December 3, 2007. The Finance Committee recommends approval and the Board of Trustees approves the Warrant dated December 3, 2007 in the amount of \$3,182,197.16 which includes the following items over 5% of the total:

1. Bank of America	\$1,750,790.04	55.02%
2. Wells Fargo Bank	\$542,987.50	17.06%
3. Cambridge Bank	\$247,904.48	7.79%
4. Manusos Gen. Contract.	\$161,046.00	5.06%

B. Lake County request for sewer service. The Public Works Committee recommends authorization and the Board of Trustees authorizes the negotiation of an agreement for sewer services with Lake County maintaining a separate sewer line.

C. AT & T Landscape Screening agreement. The Public Works Committee recommends approval and the Board of Trustees approves an agreement with AT & T for landscape screening of \$2,000 per device located in rights-of-way in Lake Zurich.

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

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

NAYS: 0

MOTION CARRIED

7. ADMINISTRATOR'S REPORT

No report.

8. ATTORNEY'S REPORT

No report.

9. COMMITTEE AND TRUSTEE REPORTS

No report.

MOTION was made by Trustee Poynton, seconded by Trustee McAvoy, to take a short recess from the meeting for cake.

Voice vote, all in favor.

MOTION CARRIED

The Board took a short recess at 8:01 pm.

The Board reconvened at 8:17 pm with a quorum present.

10. OTHER BUSINESS (Items distributed in 11-12-07 packet)

A. Annual Tax Levy Ordinance. Consideration of ANNUAL TAX LEVY Ordinance. (Assign ORD. #2007-12-539)

B. Abatement Ordinances. Consideration of :

1. AN ORDINANCE ABATING CERTAIN TAXES LEVIED FOR \$1,830,000 GENERAL OBLIGATION, SERIES 2002A AND \$3,970,000 GENERAL OBLIGATION, SERIES 2002 (Assign ORD. #2007-12-540)
2. AN ORDINANCE ABATING CERTAIN TAXES LEVIED FOR \$2,000,000 GENERAL OBLIGATION, SERIES 2002 (Assign ORD. #2007-12-541)
3. AN ORDINANCE ABATING CERTAIN TAXES LEVIED FOR \$4,200,000 GENERAL OBLIGATION, SERIES 2003A (Assign ORD. #2007-12-542)
4. AN ORDINANCE ABATING CERTAIN TAXES LEVIED FOR \$1,960,000 GENERAL OBLIGATION, SERIES 2003B (Assign ORD. #2007-12-543)
5. AN ORDINANCE ABATING CERTAIN TAXES LEVIED FOR \$700,000 GENERAL OBLIGATION, SERIES 2003D (Assign ORD. #2007-12-544)
6. AN ORDINANCE ABATING CERTAIN TAXES LEVIED FOR \$2,050,000 GENERAL OBLIGATION, SERIES 2006 (Assign ORD. #2007-12-545)

Village Administrator Dixon reminded everyone the tax levy is required by the County by December 25th. The 2007 tax cap for Lake County is 2.5%. Funds collected from the TIF District next year will be insufficient to reimburse School District #95 approximately \$450,000 in September 2008 for students generated in the TIF area. Staff is looking for direction on how the Board plans to generate enough funds to offset this shortfall and what levies to abate next year, if any.

Trustee Johnson reminded everyone this shortfall will be a continuous problem until more construction takes place downtown and suggested we look at finding the funds within the Village by reducing services, staff, etc.

Village President Tolomei agrees and feels there are a few possibilities that could bring in significant amounts of money to cover the shortfall next year, such as providing sewer service to Lake County and Wynstone.

Trustee Branding feels the real problem is the six million dollar loan to Cambridge Bank due in June 2008. Trustee Branding strongly suggested we reduce the budget by 5% and not tax the residents for this shortfall. She also suggested the Village change the fiscal year budget to a calendar year budget.

Trustee Callahan inquired about the economic status of our water and sewer fund as another option. Village Administrator Dixon stated money could be borrowed from the water and sewer funds, without compromising its status, to pay this shortfall for the next couple of years. Over two million new dollars could be generated if sewer service is provided to both Wynstone and Lake County.

Regardless of the shortfall, refinancing the loan and bonds would be beneficial to the Village. Since interest rates have been reduced, the Village could realize a savings as noted by Village President Tolomei.

Trustee Branding reiterated the need to reduce spending by 5% and avoid overspending the approved balanced budget as done in the past. Village President Tolomei disagreed with those comments and reminded everyone the fund reserve has increased over the past several years.

Trustee Taylor voiced his concerns regarding Trustee Branding's comments on overspending. Village Administrator Dixon reminded the Board the audit reports for the last 16 years show funds have been spent as budgeted every year and is unsure where this information was derived.

Trustee Poynton suggested we borrow from the water and sewer fund for next year only and find another alternative for the next couple of years until new TIF funds are generated from future development downtown.

Village President Tolomei was not in favor of demanding a 5% cut in spending since the Board was not in a position to know what impact that reduction would have to the individual departments and services of the residents.

Trustee Branding then suggested a mid-term review. Village President Tolomei stated this already takes place through a monthly report from the Finance Department.

Trustee Callahan would prefer not to raise taxes and would recommend borrowing funds, for the shortfall next year, from the water and sewer fund.

Village Administrator Dixon reiterated the shortfall of \$450,000 would not occur until September of 2008, when funds owed the School District come due.

MOTION was made by Trustee Johnson, seconded by Trustee Branding, to abate all the bonds, borrow funds from the water and sewer fund to meet next year's shortfall, consolidate/refinance the first 2 ten million TIF bonds and look at other options next year to meet the shortfall in 2009.

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

NAYES: 0

ABSENT: 0

MOTION CARRIED

MOTION was made by Trustee Johnson, seconded by Trustee Taylor, to approve the Annual Tax Levy Ordinance #2007-12-539.

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

NAYES: 0

ABSENT: 0

MOTION CARRIED

MOTION was made by Trustee McAvoy, seconded by Trustee Taylor, to approve the Abatement Ordinance as listed on the agenda as item 1.

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

NAYES: 0

ABSENT: 0

MOTION CARRIED

MOTION was made by Trustee Poynton, seconded by Trustee McAvoy, to approve the Abatement Ordinance as listed on the agenda as item 2.

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

NAYES: 0

ABSENT: 0

MOTION CARRIED

MOTION was made by Trustee Branding, seconded by Trustee Taylor, to approve the Abatement Ordinance as listed on the agenda as item 3.

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

NAYES: 0

ABSENT: 0

MOTION CARRIED

MOTION was made by Trustee Taylor, seconded by Trustee Branding, to approve the Abatement Ordinance as listed on the agenda as item 4.

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

NAYES: 0

ABSENT: 0

MOTION CARRIED

MOTION was made by Trustee Taylor, seconded by Trustee Johnson, to approve the Abatement Ordinance as listed on the agenda as item 5.

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

NAYES: 0

ABSENT: 0

MOTION CARRIED

MOTION was made by Trustee Taylor, seconded by Trustee McAvoy, to approve the Abatement Ordinance as listed on the agenda as item 6.

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

NAYES: 0

ABSENT: 0

MOTION CARRIED

Trustee Branding explained her numbers, regarding Village debt and overspending, was listed under the Statement of Indebtedness located on the Comptroller's State of Illinois website. Village Administrator Dixon explained those reports contain gross errors and are not audited.

- 11. EXECUTIVE SESSION** for the purpose of discussing probable, pending and imminent litigation.

MOTION was made by Trustee Callahan, seconded by Trustee McAvoy, to adjourn to Executive Session and not reconvene to open session.

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

NAYES: 0

ABSENT: 0

MOTION CARRIED

12. ADJOURNMENT

Meeting adjourned at 9:05 pm.

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

Approved by: _____
President John G. Tolomei