

APPROVED
**LAKE ZURICH BOARD OF TRUSTEE
SPECIAL MEETING
70 East Main Street**

Monday, March 30, 2009

1. ROLL CALL

The meeting was called to order at 6:50 pm.

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

2. ORDINANCE APPROVING A LEASE AGREEMENT FOR 10 E. MAIN STREET, MY FLAVOR IT PLACE

The five year lease for 10 East Main Street, My Flavor It Place, LLC, was provided to the Board last week for their review. A revised lease, reflecting the name has been corrected to include a LLC and a change in termination notice, was submitted to the Board this evening. This tenant, formerly known as Uncle T's, previously occupied space in the building currently uninhabitable on West Main Street. Remodeling work in the interior has begun in hopes to open by June 1, 2009.

MOTION was made by Trustee Callahan, seconded by Trustee Johnson, to approve an ordinance approving a lease agreement for 10 E. Main Street, My Flavor It Place, assigned ordinance #2009-04-624.

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

NAYES: 0

ABSENT: 0

MOTION CARRIED

3. ORDINANCE APPROVING A LEASE AGREEMENT FOR 2 AND 6 EAST MAIN STREET, DELICIOUS REDDS

The five year lease for 2 and 6 East Main Street, Delicious Redds, was provided to the Board last week for their review. Mr. Narcisi, owner of DiPiero's, decided to combine the old Century Press and Main Dog locations and open a new fast food eatery, called Delicious Redds. Remodeling work in the interior has begun with plans to open by June 1, 2009. Village Administrator Vitas reviewed the termination process as described in section 14(a) of the lease. New canopies may be purchased and added to the exterior of the building.

MOTION was made by Trustee McAvoy, seconded by Trustee Branding, to approve an ordinance approving a lease agreement for 2 and 6 East Main Street, Delicious Redds, assigned ordinance #2009-04-625.

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

NAYES: 0

ABSENT: 0

MOTION CARRIED

4. UPDATE FROM EHLERS AND ASSOCIATES ON BOND FINANCING

Village Administrator Vitas referred to the March 26, 2009 Ratings Direct report from Standard & Poor's regarding Lake Zurich's General Obligation debt. Based on their studies of our current debt, Standard & Poor's upgraded our bond rating from an A+ to an AA rating. A list of other local AA rated municipalities, school districts, park districts, etc., was distributed. Standard & Poor's rationale for upgrading the rating was due to the following four reasons: participation in the deep and diverse Chicago metropolitan area economy, very strong wealth and income levels, strong general fund reserve position, and low overall net debt burden as a percent of market value.

This bond rating will result in significant savings to the Village over the life of these bonds since a much lower interest rate can now be attained.

Questions about other debt being refunded and the stability of the Village's finances were asked. Village Administrator Vitas responded by stating the Village's finances are stable and other remaining debt on the police station was just refinanced last year. Finance Director Zochowski and Administrator Vitas were commended for their work.

President Tolomei opened up the meeting for public comments.

Rob Bialk, 868 Broadway Trustee Taylor, congratulated the Department Heads for doing their job in order for the rating to be upgraded but questioned whether the pledge of the Somerset property could affect the rating of the bonds.

Claudette Dybeck, 205 West Main Street, denied Trustee Branding and her supporters were stating the Village was going bankrupt.

Jamie March, 65 Robertson Road, referred to an article in *Time* magazine about Standard and Poor's rating system being broken and the possible affect on the demise of certain mortgage backed securities. Ms. Maravich also suggested these ratings can be bought.

Since the mortgage of the Phase IV property with LaSalle Bank was brought up during public comment, President Tolomei addressed this issue by reading a prepared statement. Legal counsel advised him not to comment, since litigation is still pending, but felt his integrity was in question. Once a settlement is reached, full details will be revealed.

Finance Director Zochowski clarified that the rating system being used is not the same for private industry (higher risk) and municipalities (lower risk). Moody's was used for our previous bond rating, but the Village changed to Standard and Poor's as recommended by our bond counsel, Ehlers and Associates. An extensive interview took place to earn this upgraded bond rating and Standard and Poor's are fully aware of the litigation currently taking place.

Trustee Branding responded to public comments by mentioning the 2008-2009 Village expenses were less than the income from that same time period and that companies selling the municipal bonds paid for the ratings of the bonds. Trustee Branding was unprepared to comment on the Village's defense of the mortgage being signed without authorization.

5. ADJOURNMENT

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

Voice vote, all in favor.

MOTION CARRIED

Meeting adjourned at 7:35 pm.

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

Approved by: _____
President John G. Tolomei