

**GRAFTON TOWNSHIP BOARD
SPECIAL MEETING MINUTES
May 24, 2011**

1. Call to Order

Supervisor Moore called the Special Meeting to order at 7:30 p.m.

2. Roll Call

Present: Supervisor Moore, Clerk Ford, Trustees Murphy, Zirk, LaPorta, McMahon, Road Commissioner Freund.

3. Pledge of Allegiance

The Pledge of Allegiance was said at this time.

4. Public Hearing for 2011-2012 Township Budget

A. Call to Order

Supervisor Moore called the Public Hearing to order at 7:35.

B. Roll Call

Present: Supervisor Moore, Clerk Ford, Trustees Murphy, Zirk, LaPorta, McMahon, Road Commissioner Freund.

C. Board Discussion

The following changes were made to the document presented.

Town Fund Expenditures: #1829 Capital Asset Outlay is now \$443,711; Item 1832 "0"; Line Item #1834 will be Rent IGA (Intergovernmental Agreement) \$60,500.

General Assistance: Contractual Services/Maintenance Service Equipment Line Item #5512 is now \$9356.00.

Personnel/Salaries Line Item #5421 is now \$18,000; Unemployment Insurance Line Item #5453 is now \$1206.00; Social Security Contribution Line Item #5461 is now \$1377.00.

D. Public Comments on Township Budget

None

E. Board Response to Public Comment

None

F. Potential Action on approval of 2011-2012 Township Budget.

Motion by Trustee Murphy, seconded by Trustee Zirk, to adopt ORDINANCE 2011524-1, the 2011-12 Budget, as modified at this meeting and with potential modifications after the audit is completed.

AYES: Trustees Murphy, Zirk, LaPorta, McMahon, Supervisor Moore

NAYS: None

ABSENT: None

Motion Passed

G. Adjournment of Public Hearing

Motion was made by Trustee Murphy, seconded by Trustee LaPorta to adjourn the Public Hearing.

Voice Vote

AYES: Trustees Murphy, LaPorta, Zirk, McMahon, Supervisor Moore

NAYS: None

ABSENT: None

Motion Passed/ Public Hearing adjourned at 8:20 p.m.

5. New Business

A. Discussion and potential action on appointment of an auditor.

Motion was made by Trustee Murphy, seconded by Supervisor Moore, to appoint The firm of Evans, Marshall, Pease to conduct the audits for fiscal year ending 2010 and fiscal year ending 2011.

Discussion: Trustee LaPorta recommended weekly progress reports are presented to the Audit Committee. Trustees Zirk and Murphy agreed.

Roll Call

AYES: Trustees Murphy, Supervisor Moore, Trustees LaPorta, Zirk, McMahon

NAYS: None

ABSENT: None

Motion Passed.

B. Discussion and potential action on Road District loan with Harris Bank.

Motion by Trustee Murphy, seconded by Trustee Zirk, to discuss this matter. All present voted AYE. Motion Passed.

Discussion: Road Commissioner explained the status of the loan. (EXHIBIT I). He stated that Road District Attorney Pat Coen has reviewed the terms and agrees with the action. Road Commissioner Freund has scheduled a meeting for Thursday, May 26, 2011 at 3:30 p.m. at his office to adopt the Resolution. Supervisor Moore stated that the current Intergovernmental Agreement should be modified to reflect the new terms.

Motion was made by Trustee Murphy, seconded by Supervisor Moore, to approve the payment of \$402,055.21 to Harris Bank, as stated in the April 28, 2011 letter from Harris Bank to Supervisor Moore.

AYES: Trustees Murphy, Supervisor Moore, Trustees LaPorta

NAYS: None

ABSTAIN: Trustee McMahon

PASS: Trustee Zirk

Motion Passed.

6. Adjournment

Motion was made by Trustee Murphy, seconded by Trustee Zirk to adjourn the Special Meeting.

Voice Vote

AYES: Supervisor Moore, Trustees Zirk, LaPorta, Murphy, McMahon

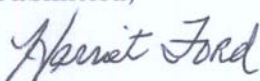
NAYS: None

ABSENT: None

Motion Passed.

Meeting adjourned at 8:35 p.m.

Submitted,



Harriet Ford
Grafton Township Clerk

EXHIBIT I



April 28, 2011

Ms. Linda Moore
Supervisor
Grafton Township
10109 Vine Street
Huntley, IL 60142

Dear Ms. Moore:

This letter is in response to your communication sent on April 20, 2011.

As I mentioned to you on the phone, it is very important to understand that this is not a loan. You issued bonds that we purchased for our investment portfolio. As such, bonds have very specific payment instructions and do not offer lots of flexibility.

Harris is willing to allow you to call seven bond maturities with maturity dates from January 1, 2022 to January 1, 2028. We will allow the call at par value plus accrued interest. The face amount of these bonds is \$395,000.00 and accrued interest as of May 31, 2011 will be \$7,055.21. This results in a total payment on Tuesday, May 31, 2011 of \$402,055.21.

This would leave \$285,000.00 in face value of bonds remaining with maturities from January 1, 2012 to January 1, 2021. The bank cannot accept monthly payments on these bonds. As you accumulate funds per the Intergovernmental Agreement, we may be willing to entertain another proposal to call additional bond maturities.

The trustee for the bond issue is as follows:

The Bank of New York Mellon
Attn: Caresse Tankersley
2001 Bryan St., 11th Floor
Dallas, TX 75201

The trustee will require a letter of direction from Grafton Township Road & Bridge instructing them to call the Certificates (on letterhead and signed by an authorized signer). In addition, they will require an Incumbency Certificate completed by Grafton Township Road & Bridge on letterhead. The person who signs the direction letter should be on the top portion of the Incumbency Certificate and another authorized signer should attest to their signature. In turn, Harris will supply a letter allowing the early redemption of the Certificates and an Incumbency Certificate by Harris on letterhead.



In addition, we will require a signed copy of the Intergovernmental Agreement and a resolution passed by the Grafton Township Road & Bridge Board authorizing the early redemption (and minutes showing the adoption of the resolution).

The trustee will provide information for the wire transfer of the funds.

Please contact me when the necessary resolution has been passed and we can move forward in the process.

Best regards,

A handwritten signature in cursive script that reads "Bruce Brinkmeier".

Bruce Brinkmeier
Vice President, Institutional Markets
Harris
201 S. Grove Ave.
Barrington, IL 60010