

GRAFTON TOWNSHIP REGULAR BOARD MEETING MINUTES

August 11, 2011

1. Call to Order

Supervisor Moore called the meeting to order at 7:30 pm.

2. Roll Call

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

3. Pledge of Allegiance

The Pledge of Allegiance was said.

4. Set Agenda for Meeting

Motion by Trustee LaPorta, seconded by Trustee Murphy, to accept the agenda for the August 11, 2011 Meeting as posted by Clerk Ford with the addition of Item 5 from the Supervisor's agenda: Discussion regarding whether to pay Trustees for attending the Senior Services meeting.

Discussion: Supervisor Moore requested Item 8 regarding an Executive Session to discuss specifically: 5) *The purchase or lease of real property for the use of a public body, including meetings held for the purpose of discussing whether a particular parcel should be acquired.* 6) *The setting of a price for sale or lease of property owned by the public body.* 7) *The sale or purchase of securities, investments, or investment contracts.*

Trustee LaPorta, seconded by Trustee Murphy, to amend his motion to include an Executive Session for this purpose.

Roll Call

AYES: Trustees LaPorta, Murphy, McMahon, Zirk

NAYS: Supervisor Moore

ABSTAIN: None

Motion Passed.

5. Regular Business

A. Audit and Payment of Bills

1. Discussion and potential action to pay bills as submitted

Discussion: Assessor Ottley distributed a Warrant List. There were questions regarding the Humana bill and one for Harding Realty (cutting grass on Haligus Road property). Road Commissioner Freund stated that he did not authorize the Copley Roofing expenditure. He presented a letter dated 8/8/11 from Road District Attorney Pat Coen to Linda Moore that referenced the Office Lease and the Lessee's (the Township) responsibilities. (EXHIBIT I) There was a discussion and disagreement between Linda Moore and Assessor Ottley regarding the proposal to install replacement windows in his offices. Assessor Ottley has permission from the landlord, Road Commissioner Freund and just wants to know what needs to be done to proceed since this matter was approved by the Board of Trustees several months ago. Supervisor Moore discussed the prevailing wage rates. Trustee LaPorta recommended that the air be tested in their offices. Trustee Zirk asked why there were no purchase order numbers. Supervisor Moore stated that the Auditor told her they were unnecessary so she has discontinued use of them. Trustee Zirk stated that this policy was put in place at the recommendation of the previous auditor Eder and Casella. The Trustees disagreed with her discontinuing the policy since it has been approved two years ago by the Board.

Motion by Trustee Murphy, seconded by Trustee Zirk, to approve the Town Fund, including the Warrant List presented by Assessor Ottley, as listed in the Grafton Township Unpaid Bills Detail prepared and presented by Supervisor Moore excluding Item 1852 Road District \$300,000.

Roll Call

AYES: Trustees Murphy, Zirk, LaPorta

NAYS: Supervisor Moore, Trustee McMahon

ABSTAIN: None Motion Passed.

Motion by Trustee Murphy, seconded by Trustee LaPorta, to approve the Road District bills, excluding J. A. Ketchmark \$543.00 and Copley Roofing \$275.00.

Roll Call

AYES: Trustees Murphy, LaPorta, McMahon, Zirk

NAYS: Supervisor Moore

ABSTAIN: None

Motion Passed.

Supervisor Moore presented a letter dated 8/11/11 to the Grafton Township Elected Officials and employees regarding IRS compliance for reimbursement of meals, specifically for MCOG monthly meetings. (Exhibit II) There was a general discussion on interpretation of the IRS rules. Assessor Ottley stated that shirts/uniforms purchased for employees was the property of the Township and returned if an individual was no longer employed in his office. This matter will be placed on the agenda for the next Regular Township Board Meeting.

Motion by Trustee Murphy, seconded by Trustee LaPorta, to approve the Assessor's bills specifically including Rich Kaszniak #7161 \$21.91; James Burke #1760 \$20.42 and Rich Alexander #1760 \$8.93.

Roll Call

AYES: Trustees Murphy, LaPorta, McMahon, Zirk

NAYS: Supervisor Moore

ABSTAIN: None

Motion Passed.

Warrants were signed.

Assessor Ottley left the meeting at 8:00 p.m.

B. Approval of Minutes

1. Minutes of July 14, 2011 Regular Township Board Meeting

Motion by Trustee Murphy, seconded by Trustee LaPorta, to approve the Minutes of the July 14, 2011 Regular Township Board Meeting.

Roll Call

AYES: Trustees Murphy, LaPorta, McMahon, Zirk

NAYS: Supervisor Moore

ABSTAIN: None

Motion Passed.

6. Public Comment/Board Member Response to Public Comment

None.

7. Old Business

A. Discussion and potential action on updates of the 2009 and 2010 Audits. Discussion: Trustee LaPorta reported that he has spoken to the auditors and the audit is almost completed. The Senior Partner will present a report at the next Regular Township Board Meeting.

B. Discussion and potential action on renovations to the Assessor's offices. **Motion by Trustee LaPorta, seconded by Trustee Murphy, to table this item to the next Regular Township Board Meeting.**

Voice Vote/Motion Passed.

C. Status Report - discussion and potential action on the food pantry located at Grafton Township. Supervisor Moore reported that monetary donations are placed in the GA budget. Trustee Zirk stated that in future budgets line items should be utilized. Trustee LaPorta asked about the refrigerator that was donated personally to the Supervisor by Loretta Wiuch. Loretta Wiuch produced a receipt stating that the Supervisor paid her

\$50.00 for the refrigerator. The Clerk was not given a copy of this receipt for the Township records.

8. New Business

A. Discussion and potential action on policy of elected officials receiving gifts.

Discussion: Trustee Zirk stated that this item was the result of the refrigerator donation discussed at the July Meeting. Loretta Wiuch had stated that she was giving the item to the Supervisor on a personal level. The Supervisor and Ms. Wiuch have now altered this position. It is no longer an issue. She continued to state that it is important that elected officials realize the seriousness of receiving personal gifts.

B. Establishment of Agenda items for the next meeting
Report by Senior Auditor on 2009 and 2010 Audits; IRS Regulation for Township paying for meals for employees and elected officials; payment to Will Hammerand for videotaping Board Meetings; Renovations to the Assessor's Office; *Scheduling of a Special Board Meeting to discuss appointment of a Township Attorney.*

C. Discussion regarding whether to pay trustees for attending the Senior Services meeting.

Discussion: Trustees LaPorta and McMahon stated this is a non-issue. A special meeting was called by the Supervisor. The Trustees were present and therefore, should be paid. Trustee Murphy stated that this is an issue for future senior committee meetings if the entire Board is present; it defeats the purpose of a citizen based committee. Clerk Ford stated that she was never notified by the Supervisor of a Special Meeting.

9. Reports

A. Supervisor

General Report of activity as per the packet. No FOIA requests.

B. Trustees

Trustee LaPorta read the letter from the Road District Commissioner to the Supervisor regarding the Money Market Account (Exhibit III) regarding the Supervisor interfering with Road District business. He stated that Mr. Nelson is not the Township Attorney and the recent court ruling specifically addresses this matter.

C. Clerk

None

D. Road District

Road Commissioner Freund presented two documents: 1) Money Market Account (Exhibit III) and 2) Removing Township property out of Road District Storage space (Exhibit IV. General update of activity.

E. Assessor

Not present.

F. Committee Reports

None

10. Closed Session

Motion by Trustee Murphy, seconded by Trustee Zirk, to enter into Executive Session for purpose of discussion of sale or lease of property.

Roll Call

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

NAYS: None

ABSTAIN: None

Motion Passed.

11. Discussion and potential action of items as discussed at Closed Session.

None

12. Reconvene Meeting

Motion by Trustee Murphy, seconded by Trustee Zirk, to reconvene the Regular Township Board Meeting at 8:38 p.m.

Roll Call/Voice Vote/All present voted Aye. Motion Passed.

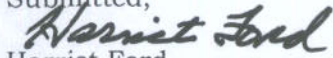
13. Adjournment

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

Roll Call/Voice Vote/All present voted Aye.

Motion Passed/Meeting adjourned at 8:39 p.m.

Submitted,



Harriet Ford

Grafton Township Clerk

ZANCK, COEN & WRIGHT, P.C.
ATTORNEYS AT LAW

Thomas C. Zanc*
Patrick D. Coen
James L. Wright
Mark S. Saladin
James G. Militello III*

* Also licensed in Wisconsin

40 Brink Street
Crystal Lake, Illinois 60014
815-459-8800
Fax 815-459-8429

Catherine Keating Howard
Jeremy W. Shaw
Jennifer L. Johnson
Tamara A. Marshall
John H. Boyd

August 8, 2011

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

RE: Grafton Township Road District

Dear Ms. Moore:

In response to your letter of August 5, 2011 addressed to the Highway Commissioner, pertaining to the roof repair for the township building, I would direct your attention to paragraph 3 of the Office Lease which provides that:

"Lessee has examined and knows the condition of the Premises and has received the same in good order and repair and acknowledges that no representations as to the condition and repair thereof have been made by Lessor or its agents prior to or at the execution of this Lease that are not herein expressed."

Further, in paragraph 3, it provides:

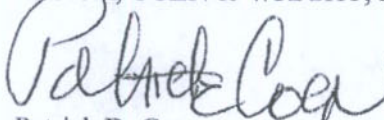
"Lessee shall be responsible for the maintenance of the building during the term including the roof, walls, floors, windows, doors, HVAC equipment, electrical and plumbing equipment and fixtures."

It would therefore be the responsibility of the Lessee (the Township) to cover the roof repairs under the subject Lease done on July 22, 2011 at 10109 Vine Street, Huntley, Illinois.

If there are further questions regarding this, please feel free to contact the undersigned.

Yours very truly,

ZANCK, COEN & WRIGHT, P.C.



Patrick D. Coen

PDC/els

cc: Jack Freund, Grafton Township Road District



Grafton Township

McHenry County, IL

P.O. Box 37, Huntley, IL 60142

847-669-3328 • Fax: 847-669-9256 • www.graftontownship.net

8/5/2011

Dear Highway Commissioner Freund,

Here is the bill for the emergency roof repair that needed to be done to the building. I called you to look into the matter, but you did not return my message. Because the leak was so bad, I went ahead and called in Copley Roofing to fix the problem. As the landlord, I am sure that you will want to take care of this bill. Thank you for your attention to this matter.

Sincerely,

Linda Moore

Grafton Township Supervisor

CHARLES COPLEY ROOFING CO, INC.

34 Railroad St
4709 Route 176
Crystal Lake, IL 60014
Phone 815-459-5493 Fax 815-459-5569
www.copleyroofing.com

Invoice

Date	Invoice #
7/25/2011	3087

Bill To
Grafton Township Linda Moore P.O. Box 37 Huntley, IL 60142

DESCRIPTION	AMOUNT
Emergency repairs done to roof on 7/22/11 at 10109 Vine Street Huntley, IL	275.00
Payment due upon receipt. We appreciate your business.	
Total	\$275.00
Payments/Credits	\$0.00
Balance Due	\$275.00

EXHIBIT II

McHenry County Council of Governments

44 N. Virginia St.
Suite 2-A
Crystal Lake, IL 60014

Invoice

Date	Invoice #
8/10/2011	37

Bill To
Grafton Township PO Box 37 Huntley, IL 60142 Attn: Linda Moore

			P.O. No.	Project
Item	Quantity	Description	Rate	Amount
2011 July 26 Mon...	1	July 26, 2011 MCCG Dinner Meeting - Harriet Ford	33.00	33.00
			Total	\$33.00
Please forward any questions to Lori Ciezak at lciezak@mchenrycountycog.org			Payments/Credits	\$0.00
			Balance Due	\$33.00

Phone #
815-477-2090

II T1014-3



Grafton Township

McHenry County, IL

P.O. Box 37, Huntley, IL 60142

847-669-3328 • Fax: 847-669-9256 • www.graftontownship.net

8/11/2011

Grafton Township Elected Officials and employees,

At this time I am working to bring our township into compliance with the IRS rules.

The issue of the township paying for meals, specifically dinners at the McHenry County Council of Government monthly meetings has become a concern. After consulting with the IRS, I have concluded that we need to make additional requirements for township payment for McCog dinners. If officials or employees wish to attend these dinners there will be additional documentation required.

"In general, reimbursements or expenses paid by the employer on behalf of the employee are taxable unless they are for allowable excluded benefits or expenses, and made under an accountable plan. For payments to be considered made under an accountable plan, the employee must:

- 1) Incur the expenses in the performance of work;
- 2) Adequately account for the expenses within a reasonable period of time, and
- 3) Return any amounts in excess of expenses within a reasonable period of time.

If the accountable plan rules are met, no tax reporting is necessary. If they are not met, the reimbursements or advances are included in wages, and the employee may deduct allowable business expenses on his or her Form 1040."

The important part of this above quote to notice is the Accountable Plan requirement. To explain this further, the following information must be provided for our records before the township can pay for the McCog dinners:

Accountable Plan Provisions

- 1) What is the business purpose of the meeting?
- 2) Where did the meeting occur?
- 3) What was the tangible business result?
- 4) Who attended?

This report is required for each employee/official for every meeting attended before the township/road district can cover the dinner expense. Accordingly, I will ask McCog to bill each person who attends the dinner individually. We can then submit these bills with the Accountable Plan Provision report and keep these reports on file in the supervisor's office for the IRS. The IRS either classifies individuals as employees or Independent Contractors.

If you believe that this IRS requirement has been misinterpreted please verify this information by calling Richard Reuscher of the Internal Revenue Service at 1-618-242-0819 with any questions you may have.

Please submit your reports ASAP to facilitate payment to McCog.

Thank you for your help in this matter.

Sincerely,

Supervisor Moore

Enclosed: IRS Quick Reference Guide for Public Employees, page 8

QUICK REFERENCE GUIDE FOR PUBLIC EMPLOYERS

Moderators, civil emergency directors, bus drivers, harbormasters, correction officers, fire chiefs, fire and ambulance workers, airport managers, summer aides, and librarians are generally considered employees, but in each case the common-law standards should be considered.

7. FRINGE BENEFITS

Fringe benefits include any compensation other than cash wages. In general, these are taxable, but some fringe benefits are excluded from income based on provisions of the Internal Revenue Code. Some of the common fringe benefit issues faced by public employers are discussed below. For a more detailed discussion of fringe benefits, see Publication 15-B, Employer's Tax Guide to Fringe Benefits.

Reimbursement for Expenses

In general, reimbursements or expenses paid by the employer on behalf of the employee are taxable unless they are for allowable excluded benefits or expenses, and made under an *** accountable plan**. For payments to be considered made under an accountable plan, the employees must:

- (1) Incur the expenses in the performance of work;
- * (2) Adequately account for the expenses within a reasonable period of time, and
- (3) Return any amounts in excess of expenses within a reasonable period of time.

If the accountable plan rules are met, no tax reporting is necessary. If they are not met, the reimbursements or advances are included in wages, and the employee may deduct allowable business expenses on his or her Form 1040.

Government-Owned Vehicles

The personal use of a government-owned vehicle is a taxable fringe benefit, unless it is excludable because it is a de minimis benefit (infrequent and of little value). Personal use includes the value of commuting to and from work in a government-owned vehicle, even if the vehicle is taken home for the convenience of the employer. The value of the fringe benefit must be included in wages and is subject to income, social security and Medicare tax withholding.

Control employees cannot use the commuting valuation rule. These are government employees, including elected officials, earn wages of at least Federal Executive Level V salary level (\$145,700 for 2010).

All of your employee's use of a **qualified nonpersonal use vehicle** qualifies as a working condition fringe. You can exclude the value of that use from employee income. A qualified nonpersonal use vehicle is any vehicle the employee is not likely to use more than minimally for personal purposes because of its design. Qualified nonpersonal use vehicles include:

Road District of Grafton Township

Jack Freund, Road Commissioner

10109 Vine Street Unit A

Huntley, IL 60142

Phone 847-669-5070

Fax 847-659-1075

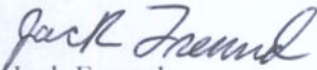
August 11, 2011

Re: Money Market Account

Dear Supervisor Moore,

I am directing you as the Road District Treasurer to put all of the Road District money into the Road District Regular Checking Account and to close the Road District Money Market Account as of August 12, 2011. We are not getting much more interest on the Money Market account than the Regular account and it will be easier to keep track of the money in one account.

Thank you,



Jack Freund

Grafton Township Road Commissioner

Cc: Pat Coen, Road District Lawyer

Road District of Grafton Township

Jack Freund, Road Commissioner

10109 Vine Street Unit A

Huntley, IL 60142

Phone 847-669-5070

Fax 847-659-1075

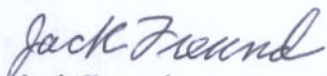
August 11, 2011

Re: Storage Space

Dear Supervisor Moore,

This letter is a notice for you to remove the Township property out of the storage space next to the conference room by August 25th, 2011. This space is in the lease agreement as the Road Districts and will be taking it back. If the property is not removed by then, it will be removed for you.

Thank you,



Jack Freund

Grafton Township Road Commissioner

Cc: Pat Coen, Road District Lawyer