

GRAFTON TOWNSHIP REGULAR BOARD MEETING MINUTES

October 13, 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

The Agenda prepared by the Clerk was the only agenda.

Assessor Ottley asked for an agenda modification: Old Business Item 7. B. *Discussion and potential action of renovations to Assessor's Office* be placed on the Agenda after Item 5. A. /Regular Business. Supervisor Moore responded no.

Motion by Trustee LaPorta, seconded by Trustee Zirk, to move Old Business Item 7. B. *Discussion and potential action of renovations to Assessor's Office* to be placed on the Agenda after Item 5. A. /Regular Business.

Roll Call

AYES: Trustees LaPorta, Zirk, Murphy, LaPorta

NAYS: Supervisor Moore

ABSTAIN: None

Motion Passed.

Trustee Zirk asked Mr. Hammerand to leave the meeting since it was approved at the previous Regular Township Meeting to not pay an employee to videotape the meetings. Supervisor Moore stated that she considered this day to day operations and he would stay.

5. Regular Business

A. Audit and Payment of Bills

1. Discussion and potential action to pay bills as submitted

Discussion: Assessor Ottley stated that the Wright Fuel bill is not \$52, but \$62 and that the late fee is being credited the next month; he has requested a different payment due date in order to avoid late fees. Trustee Murphy asked about the Carmichael Construction charges. Supervisor Moore stated that the window in her office was constructed for General Assistance purposes and no bid is required. Trustee Zirk asked why \$1400.00 was spent on color copies. Supervisor Moore stated that she has mailed out 17,000 pieces of mail to let residents Township activities. Each of the Trustees stated that they did not receive a mailing. Trustee Murphy asked who exactly did receive the mailing? The Supervisor stated she is doing the mailings to portions of the Township sequentially. Trustee McMahon stated that he believes it is simply a targeted pr mailing on the Supervisor's behalf. There was a discussion on the Humana bill and reimbursement for insurance for Blanche Freund.

Assessor Ottley presented a Warrant List for his bills that the Supervisor refused to sign (EXHIBIT I).

Road Commissioner Freund presented documents: 1) A letter stating that he is not approving Reimbursement for Postage; 2) A letter regarding Humana Insurance account for the Road District; 3) A letter from Raymond A. Miller, CPA stating that the payments to Commissioner Freund representing reimbursement for his out of pocket insurance premiums do not constitute taxable income to him; 4) A document regarding a fund (6560) that is not a part of the approved Road District. (EXHIBIT II)

Trustee LaPorta asked the Supervisor again to pay the deposit to the vendor that has been selected by the Assessor so he may proceed with the approved project. She responded "no." Trustee Zirk led a discussion regarding fact that the Carmichael Construction project was for the building, regardless of what fund the Supervisor said it was coming from and that she should have presented it to the Board for discussion. The Supervisor said the work was completed and that it should not be permitted to not pay a vendor simply because in someone's opinion procedure was not followed or you did not like the vendor. Trustee LaPorta said the Trustees have been fighting that exact battle with the Supervisor regarding numerous vendors.

Motion by Trustee Zirk seconded by Trustee LaPorta, to approve the Town Fund bills excluding: Grafton Township Road District Debt Service \$300,000 and the Carmichael Construction bill \$3184.00.

Roll Call

AYES: Trustees Zirk, LaPorta, McMahon

NAYS: Supervisor Moore, Trustee Murphy

ABSTAIN: None

Motion Passed.

Motion by Trustee Zirk, seconded by Trustee LaPorta, to approve the Road District bills excluding the Ketchmark bill \$543.00 and Postage \$12.66.

Roll Call

AYES: Trustees Zirk, LaPorta, McMahon, Murphy

NAYS: Supervisor Moore

ABSTAIN: None

Motion Passed.

Road Commissioner Freund stated that the Humana bill is still an issue. Trustee LaPorta recommended that the Road District Attorney handle the matter. Board signs Warrant Lists.

Old Business Item B. Discussion and potential action of renovations to Assessor's Office

Discussion: Assessor Ottley again requested a deposit be made by the Supervisor so he may proceed with this action that has been approved by the Trustees several times. He stated that he has more than adequate funds in his budget and has complied with every requirement. He asked if he should call Carmichael in order to get it done since the Supervisor's window was completed by them? He believes with the volume of people coming into his office that he also does not have adequate counter space and should probably have a separate entrance. Supervisor Moore stated that there are other renovations for the building that she believes need to be completed and she would not pay the required deposit so he can proceed with the windows.

Assessor Ottley left the meeting at 8:20 p.m.

B. Approval of Minutes

1. Minutes of September 8, 2011 Regular Township Board Meeting
3. Minutes of September 22, 2011 Special Township Board Meeting

Motion by Trustee Zirk, seconded by Trustee LaPorta, to approve the Minutes of the September 8, 2011 Regular Township Board Meeting and the Minutes of the September 22, 2011 Regular Township Board Meeting.

Roll Call

AYES: Trustees Zirk, LaPorta, McMahon, Murphy

NAYS: Supervisor Moore

ABSTAIN: None

Motion Passed.

6. Public Comment/Board Member Response to Public Comment

Donna McMahon

7. Old Business

A. Discussion and potential action on updates of the 2010 and 2011 audits. Supervisor Moore stated that the audits are not completed. Trustee LaPorta asked if she knew when they would be completed. Trustee Murphy stated that the Supervisor contact the Auditors and give them a deadline.

C. Discussion and potential action on appointment of a Township Attorney. Supervisor Moore no attorney is needed at this time.

8. New Business

A. Discussion and potential action on payment of services for Trustees on a monthly basis for all meetings, including special meetings. Trustee Murphy stated that a policy was approved by the Board for the Trustees to be paid on a monthly basis. Trustee McMahon said that they still have not been paid for the August 1, 2011 Special Meeting called by the Supervisor. Supervisor Moore stated that this subject is in litigation and cannot be discussed at this time.

B. Discussion and potential action on filing of Annual Treasurer's Report/Annual Financial Report. Trustee Zirk inquired if these required reports have been filed. Supervisor Moore responded that the auditors have prepared the reports and copies are in the packet.

C. Discussion and potential action on payment of Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, bills. Supervisor Moore stated that this will be addressed in court.

D. Discussion and potential action on Resolution 20111013-1, the 2012 Schedule of Meetings. Discussion: Clerk Ford presented the Resolution scheduling the Regular Township Board Meetings for 2012. Supervisor Moore recommended that the meetings be held at the Township Offices. Trustee LaPorta responded that there is not adequate space at the Township Offices.

Motion by Trustee Zirk, seconded by Trustee LaPorta, to approve Resolution 20111013-1, the 2012 Schedule of Meetings.

Roll Call

AYES: Trustees Zirk, LaPorta, McMahon, Murphy

NAYS: Supervisor Moore

ABSTAIN: None

Motion Passed.

E Establishment of agenda items for next meeting. Trustee LaPorta asked that the status of the audits be placed on the Agenda.

9. Reports

A. Supervisor

1. FOIA Report

Information in packet.

B. Trustees

C. Clerk

Clerk Ford stated she was not notified of the Special Meeting of 10/22/11 and thanked Trustee Murphy for taking minutes.

D. Road District Commissioner

General report of activity.

E. Assessor

Not present.

F. Committee Reports

10. Executive Session for the purpose of 1) Review and consensus approval of Executive Session Minutes of April 14, 2011; August 11, 2011; September 8, 2011; September 22, 2011 and 2) Status of Township property at 9260 Haligus Road, Lake in the Hills, IL.

Motion by Trustee Murphy, seconded by Trustee Zirk, to enter into Executive Session for the purpose of 1) Review and consensus approval of Executive Session Minutes of April 14, 2011; August 11, 2011; September 8, 2011; September 22, 2011 and 2) Status of Township property at 9260 Haligus Road, Lake in the Hills, IL.

Roll Call

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

NAYS: None

ABSTAIN: None

Motion Passed.

The Board entered into Executives Session at 8:35 p.m.

Motion by Trustee Zirk, seconded by Trustee LaPorta, to reconvene the Regular Township Board Meeting at 8:48 p.m.

11. Discussion and potential action of items as discussed at Executive Session. Motion by Trustee Murphy, seconded by Trustee LaPorta, to approve the Executive Session Minutes of April 14, 2011; August 11, 2011; September 8, 2011; September 22, 2011.

Roll Call

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

NAYS: None

ABSTAIN: None

Motion Passed.

12. 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 8:45 p.m.

Submitted,



Harriet Ford
Grafton Township Clerk

WARRANT LIST

BOARD OF TOWN TRUSTEES

McHenry County
Township of Grafton

We, the undersigned comprising the Board of Town Trustees of said Town of Grafton Township having duly met at the Town Clerk's office or duly designated area, on the 13 day of OCTOBER 2011, for the purpose of auditing town accounts, do hereby certify that the following claims or demands against said town were presented, and being examined were allowed at the said meeting.

TO WHOM ALLOWED		NATURE OF CLAIM	AMOUNT
Wright Express Fleet Services	1760	Fuel	\$60.97
at&t	1752	phone & internet	\$254.85
Cardunal Office Supply	1851	office supplies	\$418.44
Conserv FS	1760	Fuel - 2 months	\$312.80
Brown & Company	1763	reimbursment letter	\$126.88
Blue Cross Blue Shield of Illinois	1243	health insurance	\$4,190.34
Humana	1243	insurance + back payments	\$611.19
Best Window Company	1299	windows	\$3,600.00
The Farmside	1762	newspaper - 2 yrs.	\$25.00
TigerDirect	1854	battery backup	\$69.87
IPAI	1761	class fee	\$340.00
Queensboro	1940	shirts (MC)	\$64.06
Dundee Communicatios, Inc	1751	phone wiring	\$321.00
Ice Mountain	1851	water	\$21.94
			\$10,407.34

In Witness Whereof, the members of said Board of Town Trustees have hereunto set their hand this 13 day of OCTOBER 2011.

Supervisor

Bob Murphy
Trustee

[Signature]
Trustee

[Signature]
Trustee

[Signature]
Trustee

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

October 11, 2011

Re: Reimbursement for Postage

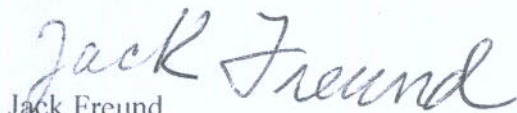
Dear Supervisor Moore,

I am not consenting to your request to reimburse the Township for postage to mail out the Road District checks when you put a letter in each envelope every month falsely advising Road District vendors to provide the Supervisor's Office with future billing. The Road District is not paying to mail out false information. They are the Road District vendors and accounts, not the Townships, and should be directed to contact the Road District with questions or billings. I have asked you not to put the letters in with our checks but you continue to do so. Also I know that you combine checks in one envelope when we have the same vendor but you want the Road District to pay for the stamp.

In the history of Grafton Township the Road District has never paid for postage to mail out the bill payments.

If you want the Road District to pay for the postage then give me the checks and I will mail them myself and put the postage on them.

Thank you,



Jack Freund

Grafton Township Road Commissioner

cc: Pat Coen, Road District Attorney

Grafton Township Road District

Jack Freund, Road Commissioner

10109 Vine Street Unit A

Huntley, IL 60142

Phone 847-669-5070

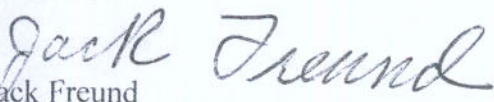
Fax 847-659-1075

October 11, 2011

Re: Humana Insurance account for the Road District

The June payment of \$191.07 was the old premium amount and should have been \$203.73 (new premium amount). So in July we paid \$216.39, check # 3493, to make up the \$12.66 difference from the June payment plus the new premium amount of \$203.73. This check had cleared our bank account on July 21, 2011 but was not posted to our Humana account as of the August 13, 2011 invoice. The check must have been posted to another account. When we received the new invoice dated September 13, 2011 it still had \$216.39 past due but it looks like they had not received the September payment of \$203.73 yet because the last payment they received was on August 25th and never showed the July payment of \$216.39. It seems that the \$12.66 that was included in our July payment still has not been posted to the Road District account correctly and I was told at the September 8th meeting that it was taken care of. This needs to be cleared up so the Road District account is current.

Sincerely,


Jack Freund

Grafton Township Road Commissioner

Cc: Pat Coen, Road District Attorney



Grafton Township

McHenry County, IL

P.O. Box 37, Huntley, IL 60142

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

October 5, 2011

Dear Highway Commissioner Freund,

It has recently come to my attention that the township payments made to Jack Freund in the amount of \$310.60 each month for "his spouses' insurance premiums" are considered taxable earnings. As a result of this, you will be receiving a 1099 form for the IRS and one will be filed with the IRS on behalf of the township for the years 2010 and 2011. Statutorily, elected officials cannot receive earnings greater than or less than the amount set by the board before they take office each term.

Please advise me of your choice between these two options for your spouses' health insurance coverage.

1. Add her to the current health insurance plan offered by the township.
2. Pay a separate bill made to the township by your wife's current health insurance carrier.

Furthermore, I plan to seek clarification on how to address the problem regarding your past earnings exceeding the statutory limits. Once I have gotten this clarification, you can rest assured that I will advise you promptly. At this time, I will no longer approve the payment of this \$310.60 monthly invoice that you submit to the township for payment to Jack Freund.

Please submit any questions that you may have, to me in writing.

Sincerely,

Linda Moore

Grafton TWP Supervisor

Raymond A. Miller, CPA
200 Lake Drive Unit 2B
Olympia Fields, IL 60461
(312) 813-3699
raymo279@aol.com

October 6, 2011

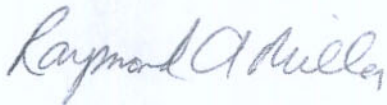
Dear Sir/Madam:

I have been asked about the tax implications and effects, if any, regarding the reimbursement of health insurance benefits on behalf of John W. Freund. It is my understanding that the reimbursement of these health insurance benefits has been approved by the township board and represents the reimbursement for out-of-pocket expenses for John W. Freund.

Pursuant to IRS Revenue Ruling 61-146 relating to Section 106 of the Internal Revenue Code, an employee's gross income does not include contributions by the employer to accident or health plans for compensation to employees (through insurance or otherwise, including a reimbursement plan), to employees for personal injury or sickness. Therefore, the payments to Mr. Freund that represent a reimbursement for his out of pocket insurance premiums do not constitute taxable income to him that would necessitate being reported on form W-2 or 1099-MISC.

If you should have any questions, or require any additional information, please contact me.

Very truly yours,

A handwritten signature in cursive script that reads "Raymond A. Miller".

Raymond A Miller, CPA

Grafton Township R & B
Profit & Loss Budget vs. Actual

April 2011 through March 2012

	Apr '11 - Mar '12	Budget	\$ Over Budget
6391 - R&B - CONTINGENCIES	0.00	32,000.00	-32,000.00
6560 - Payroll Expenses	197.99		
66900 - Reconciliation Discrepancies	0.00	0.00	0.00
9917 - PHR - CONTINGENCIES	0.00	15,000.00	-15,000.00
Total Expense	728,504.73	1,587,073.00	-858,568.27
Net Income	311,384.80	-441,324.00	752,708.80

Where did this Fund come from?

Fund # is Not in Approved Budget

If this is for the \$49.00 payroll fee
it should be coming out of Fund 9929
not a fund that we do not have in the
budget.

The Amount should only be \$196.00

4 months X 49.00 = 196.00

(July, Aug, Sept, Oct)

AM
3/10/11
Cash Basis

Grafton Township R & B
Profit & Loss Budget vs. Actual
April 2011 through March 2012

	Apr '11 - Mar 12	Budget
MAINTENANCE		
CAPITAL OUTLAY		
6820 · CAPITAL ASSET OUTLAY	19,967.37	122,500.00
6833 · OTHER IMPROVEMENTS	0.00	25,000.00
6840 · DEBT SERVICE	409,683.21	437,000.00
6841 · DEBT ISSUANCE COSTS	0.00	0.00
Total CAPITAL OUTLAY	429,650.58	584,500.00
COMMODITIES		
6111 · MAINTENANCE SUPPLY - BUILDING	143.29	10,000.00
6112 · MAINTENANCE SUPPLY - EQUIPM...	1,066.67	10,000.00
6113 · MAINTENANCE SUPPLY - VEHICLES	1,182.53	10,000.00
6114 · MAINTENANCE SUPPLY - ROAD	0.00	100.00
6116 · MAINTENANCE - SNOW REMOVAL	0.00	100.00
6118 · MAINTENANCE SUPPLY - BRIDGE	0.00	1,000.00
6122 · OPERATING SUPPLIES	314.17	2,500.00
6123 · SMALL TOOLS	78.68	6,000.00
Total COMMODITIES	2,785.34	39,700.00
CONTRACT SERVICES		
6311 · MAINTENANCE SERVICE - BUILDING	6,083.50	10,000.00
6312 · MAINTENANCE SERVICE - EQUIPM...	2,683.66	8,000.00
6313 · MAINTENANCE SERVICE - VEHICL...	346.19	8,500.00
6314 · MAINTENANCE SERVICE ROADS	0.00	100.00
6316 · MAINTENANCE - SNOW REMOVAL	0.00	100.00
6318 · MAINTENANCE SERVICE BRIDGE	0.00	1,000.00
6332 · ENGINEERING SERVICE	0.00	500.00
6371 · UTILITIES	1,532.66	9,000.00
6373 · GARBAGE DISPOSAL	548.56	3,000.00
6394 · RENTALS	0.00	300.00
Total CONTRACT SERVICES	11,194.57	40,500.00
OTHER EXPENDITURES		
6919 · MISCELLANEOUS	0.00	3,000.00
6952 · INTERGOVERNMENTAL AGMT	0.00	17,073.00
Total OTHER EXPENDITURES	0.00	20,073.00
PERSONNEL		
6221 · SALARIES	3,640.00	8,500.00
Total PERSONNEL	3,640.00	8,500.00
Total MAINTENANCE	447,270.49	693,273.00
Total ROAD & BRIDGE FUND EXPENDITURES	456,068.23	749,573.00
6391 · R&B - CONTINGENCIES	0.00	32,000.00
6560 · Payroll Expenses	49.00	0.00
66900 · Reconciliation Discrepancies	0.00	15,000.00
9917 · PHR - CONTINGENCIES	0.00	0.00
Total Expense	648,901.79	1,587,073.00
Net Income	174,737.16	-441,324.00