

GRAFTON TOWNSHIP REGULAR BOARD MEETING MINUTES

January 12, 2012

1. Call to Order

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

2. Roll Call

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

Absent: Trustee Murphy

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.

5. Regular Business

A. Audit and Payment of Bills

1. Discussion and potential action to pay bills as submitted

Discussion: Assessor Ottley distributed his bills. Trustee Zirk asked why the accounting procedure for reporting the unpaid bills differed for the Town Bills and the system used for the Road and Bridge Bills. Trustee LaPorta stated that the zeroing out of accounts is confusing. Assessor Ottley asked why Mr. Ketchmark was paid to determine the Assessor's salary and it is still wrong. Trustee Zirk asked why so much money was spent on postcards/mailings. Supervisor Moore said it was to notify seniors of upcoming events. Trustee Zirk said she thought it was unnecessary since the events are all in the newspaper and announced at the actual events. Trustee Zirk asked exactly who was receiving the mailings. Supervisor Moore said she was sending the mailings in batches of 1000 per mailing and is sending the mailings alphabetically.

Assessor Ottley requested that his bills be voted on separately since the Supervisor does not always include every bill. He reported that he no longer has the MasterCard since he could not review statements. Due to the recent fraud he reported, he filed a report with the Huntley Police Department. Officer Griffith informed him that they knew who misused the card, but the information could only be reported to the Supervisor and that she refused to follow-up with the department. Supervisor Moore said she did not recall being asked by the Huntley Police Department. Assessor Ottley stated that his employees: Chad, James, Rich were reimbursed for their expenses as part of their payroll even though the Board did not approve it as such. The letters he presented at past meetings from a CPA and an attorney confirmed the position that it should not be part of their income. (EXHIBIT I)

Assessor Ottley requested that it be noted in the record that Supervisor Moore refused to sign the Warrant of Assessor's Bills. (EXHIBIT II)

Motion by Trustee Zirk, seconded by Trustee LaPorta, to approve the Town Fund bills.

Roll Call

AYES: Trustees Zirk, LaPorta, McMahon

NAYS: Supervisor Moore

ABSENT: Trustee Murphy

Motion Passed.

Trustee LaPorta asked Supervisor Moore why she voted "NAY" to approving payment of bills for the Town Fund. Supervisor Moore refused to answer.

Discussion of Road & Bridge: Road Commissioner Freund asked why payment of \$26,900 to the Bank of New York Mellon has still not been paid since it was due 1/1/12. Trustee LaPorta also asked the same question.



Supervisor Moore refused to respond. Road Commissioner Freund presented documents outlining issues with accounting errors and other issues that have not been resolved. He asked that they be entered into the record. (EXHIBIT III)

Motion by Trustee McMahon, seconded by Trustee Zirk, to approve the Road District bills excluding the Ketchmark bill and postage which is now listed as owed to the Grafton Township Town Fund \$469.92.

Roll Call

AYES: Trustees McMahon, Zirk, LaPorta

NAYS: Supervisor Moore

ABSENT: Trustee Murphy

Motion Passed.

Assessor Ottley left the meeting at 8:10 p.m.

B. Approval of Minutes

1. Minutes of December 8, 2011 Regular Township Board Meeting

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

Roll Call

AYES: Trustees Zirk, LaPorta, McMahon

NAYS: Supervisor Moore

ABSENT: Trustee Murphy

Motion Passed.

6. Public Comment/Board Member Response to Public Comment

None

7. Old Business

A. Discussion and potential action on updates of the 2009-2010 and 2010-2011 final audits.

Supervisor Moore stated that the auditors have informed her that the audits will be completed soon. Each of the Trustees expressed concern as to why the audits have not been completed. Trustee LaPorta contacted the auditors and was told that documents would be completed and that the Board would be receiving them very soon. There was a general discussion on a possible special meeting to discuss the audits.

B. Discussion and potential action on appointment of a Township Attorney.

Supervisor Moore stated that she is not appointing a Township Attorney since there are four attorneys already involved in the Township trustee Zirk stated that these are all related to litigation. Trustees Zirk and LaPorta reiterated that John Nelson is not the Township Attorney and will not be paid to represent Linda in her capacity as Supervisor in the lawsuits with the Assessor and the Road District.

8. New Business

A. Discussion and potential action on fees associated with MCOG meetings and/or participation in other professional organizations by elected officials.

Trustee Zirk stated that she, Trustee Murphy and Clerk Ford all received invoices made out to them personally at their home address from MCOG for the cost of their attendance at the December MCOG meeting. Trustee Zirk stated that the policy or practice of the Township has always been that the Township paid for elected officials to participate in educational/networking opportunities such as MCOG. Supervisor Moore stated that she did not believe there was a measurable benefit to attending the MCOG meetings. The Trustees disagreed and Trustee LaPorta stated that there was an educational benefit, as well as an opportunity to establish relationship with other governmental entities. Trustee LaPorta asked if Supervisor Moore personally paid for her participation in these meetings. She responded that she did. Trustee LaPorta inquired as to when this practice of self payment began. Supervisor Moore responded that she has done this since during the IRS audit the IRS told her to do so. Trustee

LaPorta asked if she has paid for her participation for all the past meetings such as MCOG and Supervisors' meetings. She did not respond, but said if she was instructed to do so, she would comply. Trustee Zirk asked to see the document from the IRS supporting this policy. Supervisor Moore did not have it at the meeting. Trustee LaPorta also asked to see the IRS audit and suggested a special meeting to review the findings of this audit as well as the other contracted audits.

B. Establishment of agenda items for next meeting.

None at this time.

9. Reports

A. Supervisor

1. FOIA Report

She summarized the Information in the packet.

B. Trustees

Trustee Zirk stated that the Senior Transportation Committee Meeting was held and presented an update.

C. Clerk

Clerk Ford distributed information to all elected officials regarding the new state requirement for all township elected officials and committee members to complete Open Meetings Act Training. It is an online certification. She reported that the Minutes of the 2011 Annual Meeting and the 2011 Special Meeting of the Electors were completed in October and submitted to the Moderators.

D. Road District Commissioner

General report of activity. He presented a document regarding

E. Assessor

Not present.

F. Committee Reports

None

10. Executive Session

None

11. Adjournment

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

Roll Call/Voice Vote/All present voted Aye.

Motion Passed/Meeting adjourned at 8:30 p.m.

Submitted,



Harriet Ford
Grafton Township Clerk



EXHIBIT I

Amount	ASSESSOR'S BILLS January 12, 2012	Category
\$37.40	Wright Express Fleet Services	1760 fuel
\$0.00	at&t	1752 phone & internet
\$100.94	Cardunal Office Supply	1851 office supplies
\$4,190.34	Blue Cross Blue Shield of Illinois	1243 health insurance
\$407.46	Humana	1243 insurance
— \$9.30	Chad Schmidt	1760 travel - hearings
\$11.61	Ice Mountain	1851 water
— \$8.80	William Ottley	1755 USPS - stamps
— \$12.65	William Ottley	1755 UPS - shipping
\$317.84	Conserv FS	1760 fuel
— \$26.51	James Burke	1760 travel - hearings
— \$24.68	Rich Alexander	1760 travel - hearings
\$1,505.00	Apex Software	1751 software maintenance
\$199.69	TigerDirect	1854 power backups -3
\$261.26	TigerDirect	1854 computer
\$9.45	Mochanin	1751 domian registration
\$7,122.93		

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 12 day of JANUARY 20 12, 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	\$37.40
at&t	1752	phone & internet	\$0.00
Cardunal Office Supply	1851	office supplies	\$100.94
Blue Cross Blue Shield of Illinois	1243	health insurance	\$4,190.34
Humana	1243	insurance	\$407.46
Chad Schmidt	1760	travel - hearings	\$9.30
Ice Mountain	1851	water	\$11.61
William Ottley	1755	USPS - stamps	\$8.80
William Ottley	1755	UPS - shipping	\$12.65
Conserv FS	1760	fuel	\$317.84
James Burke	1760	travel - hearings	\$26.51
Rich Alexander	1760	travel - hearings	\$24.68
Apex Software	1751	software maintenance	\$1,505.00
TigerDirect	1854	power backups -3	\$199.69
TigerDirect	1854	computer	\$261.26
Mochanin	1751	domian registration	\$9.45
			\$7,122.93

In Witness Whereof, the members of said Board of Town Trustees have hereunto set their hand this 12 day of JANUARY 20 12.

Supervisor

Trustee

Trustee

Trustee

Trustee

Road District of Grafton Township

Jack Freund, Highway Commissioner

10109 Vine Street Unit A

Huntley, IL 60142

Phone 847-669-5070

Fax 847-659-1075

HIGHWAY COMMISSIONER REPORT

December 2011

- There were 5 Special Moving Permits totaling \$170.00
- There was 1 R.O.W. Permit totaling \$1000.00
- Why has the bank has not received the payment of \$26,900 for the loan that was approved on Dec. 8, 2011.
- Have not received copies of BCBS bill and MasterCard statement from last month.
- Check from Grafton Township (paid in July) for \$175.00 is in wrong fund. Should be in 9040 not 9050. Asked her to fix it on 10/20/11, 11/10/11 and 12/8/11.
- Need documents showing QUICKBOOK PAYROLL FEES and what month they are for.
- Reports – Still have not received any since August.

If you have questions, please give me a call at the office and come in and see me.

GRAFTON TOWNSHIP
P.O. BOX 37
10109 VINE STREET
HUNTLEY, IL 60142
(847) 669-3328

HARRIS M.A.
10604 N. RT 47
HUNTLEY, IL 60142
2-2566/710

2006

7/16/2011

PAY TO THE
ORDER OF

Grafton Township Road Dist

\$ **175.00

One Hundred Seventy-Five and 00/100

Grafton Township Road District
10109 Vine Street
huntley, IL 60142

To: 9040

DOI

MEMO

Linda More

AUTHORIZED SIGNATURE

⑈020066⑈ ⑈07102566⑈ ⑈900612073⑈

Needs to be in 9040

Looks like it is in 9050

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

Thomas C. Zanck*
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
Jennifer L. Johnson
Tamara A. Marshall
John H. Boyd
Heather B. Kroencke*

January 12, 2012

VIA FACSIMILE & U.S. MAIL

FAX NO. (847) 669-9256

Ms. Linda Moore
Grafton Township Road District Treasurer
10109 Vine Street, Unit D
Huntley, IL 60142

RE: Grafton Township Road District

Dear Treasurer Moore:

I am in receipt of your correspondence dated January 11th to the Road District Commissioner regarding Road District expenses. You are not a C.P.A. nor the auditor of the Road District. Your attempt to dictate to the Road District Commissioner what bills will be paid for legitimate expenses that have been presented and approved by the Town Board, and your attempt to dictate Road District policy by attempting to punish Road District employees by attempting to increase their reportable income without consulting or conferring with the Road District's auditor or its licensed accountant or C.P.A. is a violation of your fiduciary duty to the Road District. Your further attempt to obtain original phone records of the Road District, beyond the billing information contained in the summary page and any original yard tickets for construction material is also not required for your completion of your task as the Road District Treasurer and is an attempt to usurp the authority of the Road District Commissioner to carry out his duties. The Clerk of the Road District is in charge of keeping the records of the Road District, not the Treasurer. You are not entitled to original documents and cannot refuse to pay legitimate expenses as requested by the Road District Commissioner and as approved after audit by the Town Board based on the ridiculous notion that only original documents will suffice for payment of the bills.

This will also confirm that the Road District Commissioner has been advised by the agent for the bondholders of the Road District bonds that you, as Treasurer of the Road District, have not paid the legitimate expense of the Road District due the bondholders at the beginning of January of 2012 despite the fact that the expense was presented by the Road District Commissioner for payment and approved, after audit, by the Town Board at the last meeting. This willful failure to pay the required amount could lead to a default by the Road District on the bond obligation due and cause irreparable damage to the Road District. The bond obligation is of the Road District and you have no authority as the Road District Treasurer in withholding those payments after presentation by the Road District

Ms. Linda Moore

Page 2

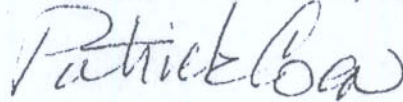
January 12, 2012

Commissioner and approval by the Town Board. Your actions again are willful and will cause injury to the Road District and will be dealt with accordingly.

The Road District Commissioner will have no alternative but to amend his complaint and proceed to seek damages for your willful refusal to carry out your duties as Road District Treasurer.

Yours very truly,

ZANCK, COEN & WRIGHT, P.C.

A handwritten signature in cursive script, appearing to read "Patrick Coen".

Patrick D. Coen

PDC/els

cc: John Nelson
Jack Freund, Grafton Township Road District

1-11-2012

Re: Road District Expenses

Dear Commissioner Freund,

1. McCog Invoice: I have reviewed your Accountable Plan Provision with the IRS Agent who can be contacted for verification. Your report does not meet the requirements of the plan in that you have failed to show tangible or measureable business results in item number 4. As a result, this dinner qualifies for additional taxable earnings to you after the board approves the expense.

Richard P. Reuscher, 36-09710

SE:T:GE:FSL:O:7253

- FSL:O:7253

105 South 6th Street

Mt. Vernon, IL. 62864

618-242-0819 (LandLine)

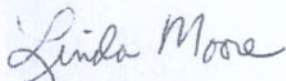
618-242-9419 (FAX)

618-316-1883 (Cell)

2. Think Ink Invoice: I have asked you to provide the names of the employees who will be wearing these "Zip front Hoodies and Sweatshirts" but you have declined to do as I have requested. I have again checked with the IRS Agent named in #1 and he has instructed me to then consider these uniforms as additional taxable earnings to you on your next paycheck after the board approves this invoice.
3. Curran Contracting Invoice: I have requested the yard ticket for this invoice. You have provided a photocopy of the yard ticket which cannot be read. Please provide the original yard ticket so that I may release payment on this invoice after board approval.
4. Nextel Invoice: I have requested complete original invoice for this bill. Note that there are 10 pages to this invoice and you have only provided what appears to be on pages 3, 4 and 5 of the bill. Please provide the complete original bill so that I can release payment after board approval. Complete documentation is needed for any future IRS audits or township audits.

Thank you for your cooperation in these matters. If you have any further questions please contact me at your earliest convenience.

Sincerely,



Linda Moore

Grafton Township Supervisor

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

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* Also licensed in Wisconsin

January 5, 2012

VIA FACSIMILE & U.S. MAIL
FAX NO. (847) 669-9256

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

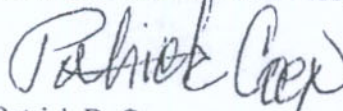
RE: Grafton Township Road District

Dear Ms. Moore:

It has come to the attention of the Road District Commissioner that requests for bids by the Supervisor for the demolition of a wall at the town hall to place a 4 x 4 window has been published. Pursuant to the lease between the parties, any remodeling must be pursuant to the consent of the Landlord with provisions made that no mechanic liens will be created by said work. Please provide the pertinent plans to the Road District Commissioner for his review prior to any construction. Failure to provide such plans will be deemed a breach of the terms of the lease and will be dealt with accordingly.

Yours very truly,

ZANCK, COEN & WRIGHT, P.C.



Patrick D. Coen

PDC/els

cc: John M. Nelson
Jack Freund, Grafton Township Road District

1/9/2012

Bills that Linda questioned us on.

<u>Bill to be Paid</u>	<u>Question</u>	<u>Answer</u>
Bill Killeen	Need Documentation showing he paid for bond.	Gave her copy of check that was deposited. She said she didn't want to dig it out so we had to.
Costco	Want to know what items were purchased. She could not tell from the receipt.	Told her we put it on the list of bills that was turned in with the bills.
Curran Contracting	Where is yard ticket?	Gave her copy of yard ticket. <i>(We have never turned one in with this bill before)</i>
Revcore Radiator	What piece of equipment was work done on?	Told her skid loader. <i>(What info does this do her?)</i>
Nextel	Need phone bill breakdown.	Gave her only a page with the 4 phones listed with the cost of each phone. (She does not need the list of phone calls made-Per Pat Coen) <i>(We turned in the bill how we always do)</i>
MCCOG	If no Accountable Plan Provision Report will be on paycheck as W-2 after Jack pays for it.	Pat told us to give her a copy of the letters from Brown & Co and Michael Poper from August 2011 & gave her the minutes from the Aug 11th meeting about paying for the meetings. Also gave her a Accountable Plan Provision Report so it wouldn't be taxed.
MasterCard Think Ink (uniforms)	Who will be wearing these cloths? Wanted a break down for each employee.	We told her that it was in our Personnel Policies that the Road Dist provided uniforms for the employees & she said that it's still taxable. We gave her letter (see attached) and page from policies stating that the uniforms are property of the Road District & are not taxable to the employees - Per Pat Coen

Grafton Road District

From: bejoy.mathew@bnymellon.com
Sent: Monday, January 09, 2012 2:18 PM
To: highwaycom@graftontownship.us; pcoen@zawl.com
Cc: Gulnaar.Murthy@bnymellon.com; Michael.Herberger1@bnymellon.com; shannon.straty@bnymellon.com
Subject: 01/01/2012 Past due Debt Service for GRAFRB08 (BNYLOANS)
Importance: High
Attachments: GRAFRB08 (BNYLOANS) 01-01-12 DS.pdf

Hi Jenny,

We've not received funds to make payment for GRAFTON TOWNSHIP ROAD & BRIDGE DEBT CERTIFICATE 2008. I'm attaching the past due 01/01/2012 invoice of account# GRAFRB08 for your convenience. Please let me know the status of the payment as soon as possible. You can respond to this email.

Note : FYI, there is a potential that a bondholder could claim for compensation due to late payment. We will notify you if such claim is made.

If you have any questions do not hesitate to contact me.
Thanks

Bejoy Mathew, Sr. Corporate Trust Administrator • The Bank of New York Mellon Trust Company, N. A.
Global Corporate Trust - 2001 Bryan Street, Bryan Tower 11th Floor, Dallas TX 75201 •
Tel 214.468.5029 • Fax 214.468.6322 • bejoy.mathew@bnymellon.com

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1/12/2012