

**VILLAGE OF JOHNSBURG
MARCH 7, 2013 REGULAR MEETING OF THE
PRESIDENT AND BOARD OF TRUSTEES**

President Hettermann called the meeting to order at 7:32 p.m. in the Village Hall.

Attendees

Trustee John Huemann
Trustee Kevin McEvoy
Trustee Mary Lou Hutchinson
Trustee Janice Sisk
Trustee Ron Zanko
Trustee Rich Janusz
Village Attorney Michael Smoron
Village Engineer Tim Hartnett
Special Projects Coordinator Rick Quinn
Police Chief Keith VonAllmen

FROM THE FLOOR – Maggie Haney of 1612 Bolling Avenue was in attendance. Mrs. Haney submitted information to the Village Board and stated that at the previous board meeting President Hettermann confirmed after the board approves payments, checks are issued. She stated that she issued a FOIA request for copies of all of the invoices, bank statements, disbursements and the fronts and back of all checks for the months of May 2011, May 2012 October 2012, December 2012 and January 2013 except for payroll. She added that upon reviewing the information she found numerous discrepancies. She referred to select pages of the disbursements from the May 17, 2012 meeting along with a copy of the first page of the minutes of the meeting, and a FOIA request she submitted to the McHenry County Treasurer's office. She referred to a range of check numbers and stated that 36 checks were missing and that the missing checks cleared the bank prior to the May 17, 2012 meeting. She stated that the minutes reflect that during that meeting, Trustee Zanko questioned the check to the McHenry County Collector and in response the Village attorney explained that it was for payment of taxes on the Schmitt property for which the Village received a credit at closing. Mrs. Haney stated that she received information from the McHenry County Treasurer which indicates that the check was paid on May 4, 2012 in person, four days before the tax bills were posted or mailed out and it was for property involved in litigation. Mrs. Haney stated that someone took tax payer money without authorization and paid personal property tax on property the Village did not own.

Mrs. Haney stated that a payment to Waste Management in May of 2012 included a late fee of over \$400. She also referred to a payment made for a Visa bill with a late fee of \$29.56. Mrs. Haney stated that the disbursement only reflects the amount paid on an invoice and there is no separate line item for interest fees or late charges. Mrs. Haney stated that charges are being covered up. She referred to the disbursements for the November 1, 2012 board meeting stating that one check was missing but 18 checks had been signed and cleared the bank before the board meeting. Mrs. Haney stated that the December 31st bank statement shows a deposit of \$70,000 on December 3, 2013 and withdrawal for the same amount. She questioned where the money went. Mrs. Haney stated that the Village President, Village Administrator, Village Attorney, Trustee Hutchinson, and the Village Accountant are all inept or involved in a cover up. She questioned the credentials of the Village Accountant. Mrs. Haney stated that her sister spoke to Trustee Huemann previously regarding what she believes are financial crimes and he promised to do his own investigation but nothing was ever done.

Mrs. Haney referred to the financial strains experienced by Dixon because there were no internal controls and no segregations of duties. She stated that the mayor of Dixon cooperated with authorities but in Johnsborg she believes the mayor is part of the problem.

Mrs. Haney stated that a subpoena was issued to the Village Administrator to appear before the Grand Jury and she requested a copy of the subpoena and received a letter from the Village Attorney stating that the FOIA request was forwarded to the McHenry County States Attorney's office for input. She stated that the people have the right to know if a Subpoena was issued. Mrs. Haney read from a book regarding the Open Meetings Act and the Freedom of Information Act which was authored by the law firm that represents the Village. She stated that forty checks were missing from the first page of the disbursements and an additional forty-six checks are missing from the second page. She also questioned the warrant total on the last page. President Hettermann stated that the Village would look into all of Mrs. Haney's accusations. Mrs. Haney stated that they are not accusations, they are fact.

Village Accountant Laurie Cwerenz of 4110 Pitzon Road was in attendance and responded to Mrs. Haney statements. She explained that she is a CPA and a CMA and has been since 1981. She added that she has an MBA from Northwestern in Finance and Management Information Systems and has been working for municipalities for over 12 years. She explained that she works for the Village of Johnsborg and part time for the Village of Wonder Lake. In response to Mrs. Haney statements regarding missing checks, she explained that they are the payroll checks Mrs. Haney stated she did not request. She further explained that the Village typically issues 30-36 payroll checks and about 5-9 garnishment, tax and pension checks. With regards to the Village's internal controls Mrs. Cwerenz stated that Mrs. Haney has never spoken with the auditors who will verify that they are reviewed annually. Mrs. Cwerenz explained that the Village does have separation of duties and policies regarding them. She stated that everything Mrs. Haney is asking for in terms of internal controls is being done by the Village. She further stated that every question raised could have been easily addressed by an administrative person but Mrs. Haney chose instead to grand stand at the meeting. Mrs. Haney stated that there are 87 checks missing. Mrs. Cwerenz stated that the disbursement covers two pay periods because a meeting was canceled. She added that she would be happy to answer any of Mrs. Haney's questions and emphasized that everything is transparent and there is separation of duties. Mrs. Cwerenz stated that Mrs. Haney is attempting to create an issue that does not exist because she is running for office.

Mrs. Cwerenz stated that her purpose for attending the meeting was in follow up to the last board meeting. She passed out a written statement to the board and asked that it be placed into the record (attached as part of the record). She explained that she does not wish to verbally make her statements as she is concerned about being verbally attacked as she was at the previous meeting. She asked the board to reprimand Trustee Zanko for his behavior and review some of the inaccuracies that were stated by him. She offered to answer questions the board may have in response to her written statement. She added that no trustee should refer to any member of the Village's administrative staff as the "greet to". She stated that the Village has very good people that work hard. She pointed out that in response to the 500 check FOIA request received, she spent nine hours and other members of the staff spent far more time on the request. She pointed out that FOIA is important but it can also be a burden at times to the Village.

Trustee Zanko read a statement in follow up to the February 7th board meeting regarding the discussion that occurred at his Ordinance Committee meeting. He explained that his committee was looking into means to attract new residential development by finding ways to reduce permit costs to developers. Trustee Zanko stated that the Ordinance Committee's review was to save developers money to entice new development. He added that he believes he has an excellent working relationship with the administrative staff and that he contacted two employees in the office to provide an opportunity to raise any concerns. He stated that neither responded so he assumes Mrs. Cwerenz position is hers alone. Trustee Zanko invited Mrs. Cwerenz to attend an Ordinance Committee meeting. Mrs. Cwerenz stated that one of the

employees did respond to Trustee Zanko as he insisted she do so and she expressed that she was uncomfortable with the situation.

William Wiltse of 2620 Knob Hill Road stated that he is still looking at pursuing a project on the Paradise Cove property and pointed out that infrastructure costs create a challenge for development. He explained that he looked at the USDA website and it appears they have a Rural Development program that provides for loans and grants that may be available to help defray some of the infrastructure costs. President Hettermann stated that the Village was going to hear more about the program later in the meeting.

OMNIBUS AGENDA - Trustee Hutchinson moved to approve the Omnibus Agenda. Trustee Huemann seconded the motion. Trustee Zanko requested the removal of the MFT Resolution; the expenditure to Rainbow Sign; the Tower License Agreement; the 2013 Zoning Map; and the disbursements. All Trustees present voted aye on the roll on the remaining agenda items. Motion carried.

FEDERAL GRANT STATUS - The Board provided a consensus to suspend the items removed from the Omnibus Agenda until later in the meeting so that Mr. Viney and Mr. Roecker could address the Board. Mr. Roecker presented information to the Board and explained that over the past 10 years the Village has received direct appropriations for its sewer project through seven specific actions of the U.S. Congress totaling approximately \$3.7 million dollars. He explained that he and Mr. Viney continue to watch for opportunities through the Illinois State Revolving Loan Program but the program presents challenges and the Village is already receiving similar loan rates so there is no real advantage to the program at this time. He reported that the Rural Utility Service has some funding opportunities that are being considered and the Army Corp of Engineers is in search of projects that meet specific criteria for funding they have available. The Water Resources Development Act is also providing new opportunities for potential funding.

Bill Viney discussed some of the criteria associated with the programs Mr. Roecker discussed. He explained that the Rural Utilities Service provides funding through a combination of loans and grants. He added however that the Village as a whole does not meet the affordability requirements but he is looking into ways the program may still work. Mr. Viney emphasized how important it is that the Village's project has received so much attention in Washington as it helps the Village with its pursuit of additional funding. He further discussed efforts that he is pursuing through the Army Corp of Engineers and how their funding process works. Mr. Viney explained that funding can be provided for up to 100% of the project, but he does not expect the Village to qualify for full funding because of income and affordability requirements therefore some of the funding may be made through loans.

Mr. Hartnett stated that the Rural Utility Service does not provide funding for new construction projects. He added that the Illinois State Revolving Loan Fund requires the pledging of the user base to pay back the loan and the Village's user base is small and therefore does not qualify for the program. Mr. Roecker stated that the USDA's Rural Utilities Service may have some opportunities for new construction. Mr. Hartnett confirmed that the Village's wastewater system is separate from its storm sewer system.

Trustee Zanko questioned what other funding opportunities may be available for the Village for other projects. Mr. Viney stated that there are some funds for projects such as roads and bridges, shoreline restoration and roundabouts but money for additional police personnel or maintenance of vehicles and facilities is not readily available. Mr. Roecker emphasized that if federal funding is being sought for a specific project, it is important to identify a unique national priority regarding the project for which the Village is seeking funding. Trustee Zanko questioned funding that may be available to improve the bridge crossing of the Fox River. Mr. Hartnett explained that the County is not interested in expanding the bridge but that the Village could do so at their cost. Trustee Hutchinson explained that it has not been a priority of the Village. Mr. Hartnett added that in the past the Village did not want to see the bridge

expanded because they did not wish to see the road become a shortcut to Route 31. Furthermore, the expansion of the bridge would widen the roadway along Chapel Hill Road placing it right up against homes and businesses which is not desirable. He explained that it is a subject that should be discussed at a strategic planning meeting to determine if the Village's position regarding the expansion of the bridge has changed. Trustee Zanko questioned opportunities to provide for a pedestrian crossing of the river. Mr. Hartnett explained that the Village has been discussing the addition of a pedestrian bridge and has estimated the cost of the improvement. Mr. Viney stated that anything the Village would like to pursue, he would be happy to assist in seeing if funding opportunities are available. Trustee Hutchinson discussed how the Village has emphasized the uniqueness of our waterway which has helped draw attention to the importance of our wastewater project thereby helping us obtain funding. Mr. Hartnett stated that the Village has a binder of information regarding all of the funding opportunities available through the State of Illinois therefore Mr. Viney and Mr. Roecker's efforts are best spent on federal opportunities. Mr. Viney confirmed that the submission timelines are rolling for the programs he is looking into.

MFT RESOLUTION - Trustee McEvoy moved to approve a resolution in the amount of \$450,000 for the 2013 Road Program. Trustee Sisk seconded the motion. Trustee Zanko questioned why South Fairview is included in program when it just completed an SSA for the road and the board authorized an additional \$8000 paving measure associated with the sewer project. Mr. Hartnett explained that Fairview Avenue was paved in the early 1990's and through the sewer project the Village pursued patching of areas which will be milled in preparation or a full overlay. Trustee McEvoy explained that the Public Works Director and Committee performs an extensive evaluation of all of the roadways to determine the paving priorities and Fairview Avenue rated high during the evaluation as it is need of resurfacing. President Hettermann explained that the road has not been resurfaced in twenty years. Mr. Hartnett pointed out that after this year's program, all of the roads that were rated a number "1" will be addressed. Trustee Zanko asked if while pursuing the road program someone could place gravel in the area by the bank that is still in need of attention. Mr. Hartnett explained that it is in the County's right of way and they do not like people performing work along their roadway but he would follow up on the matter. All Trustees voted aye on the roll. Motion carried.

RAINBOW SIGN - Trustee Janusz moved to approve the expenditure in the amount of \$2,139.50 to Rainbow Sign for bulbs for the Community Sign. Trustee Sisk seconded the motion. Trustee Zanko questioned why the Village hasn't pursued a new sign rather than spending money on antiquated technology. Trustee Hutchinson explained that a new sign can cost as much as \$50,000 therefore it is in the Capital Plan for replacement in the future. President Hettermann explained that this expenditure will provide for bulb replacement on one entire side as was done on the other side previously. Trustees McEvoy, Sisk, Huemann, Janusz and Hutchinson voted aye. Trustee Zanko voted not. Motion carried.

WONDERWAVE TOWER AGREEMENT - Trustee Huemann moved to approve the Tower License Agreement between the Village of Johnsburg and Wonderwave.net Internet, Inc. Trustee McEvoy seconded the motion. Trustee Zanko expressed that he did not like the added language regarding the automatic renewal, and made suggestions regarding language related to: the restoration of the tower upon termination of the agreement; interference of Wonderwave's infrastructure with the Village's operations; and the termination provision. Mr. Hartnett suggested that the Village perform an inspection upon termination of the agreement. He added that he will talk with Tom Otto to insure that their infrastructure will not interfere with the Village's SCADA system. Changes are to be incorporated into the final document. All Trustees voted aye on the roll. Motion carried.

ZONING MAP - Trustee Sisk moved to approve the 2013 Zoning Map. Trustee Huemann seconded the motion. Ms. Peters explained that the new zoning map will reflect the rezoning of the Hughes property, the Jones variance, the Sunnyside Beach setback variance, the sign variance for the Route 31 gas station and the Broders Special Use Permit. All Trustees voted aye on the roll. Motion carried.

DISBURSEMENTS - Trustee Hutchinson moved to approve the disbursements. Trustee Huemann seconded the motion. Trustee Zanko questioned check number 109756 to Scott Dixon. Chief VonAllmen explained that it was for payment related to a juvenile case. The juvenile's parent wrote the Village a check and the Village wrote a check to the victim. Trustee Zanko questioned what gas pipe had to be changed under check 109759. Chief VonAllmen explained that the expense was for the removal of an old gas pipe at the police department. Trustee Zanko questioned what ILEAS stands for under check number 109760. Chief Von Allmen explained that it stands for Illinois Law Enforcement Alarm System. Trustee Zanko questioned Check 109829 being paid to the Village's auditors Evans, Marshall and Pease for the year ending April 30, 2012. He stated that he thought the Village does not pay for an audit until it is complete. Mrs. Cwerenz explained that the auditors completed the audit for Fiscal Year ending April 30, 2012 at the end of January and we received the invoice in February. Trustee Zanko questioned how the auditors could complete an audit for a period that hasn't occurred. Mrs. Cwerenz stated that fiscal year 2012 has occurred and we are now in fiscal year 2013. Trustee Zanko questioned Check 109831 to HR Green for a bridge inspection. Mr. Hartnett explained that the inspection is for the bridge on Riverside Drive which the Village is required to perform every two years. Trustee Zanko questioned Check 301994 and 301996 which appear to be for the same thing. Mrs. Cwerenz explained that we receive separate bills for the supply and delivery of electricity. Trustee Zanko questioned what was purchased with Check 302000 for Sensus Reading Software. Ms. Peters explained that it is for the handheld meter reader. She explained that the cost includes the reader, software and charger. Lastly, Trustee Zanko questioned the payments to BP and Mobile and suggested that the Village seek better pricing for fuel. Mrs. Cwerenz explained that the cards are kept at the local station and they are set up as municipal accounts which do not get charged the excise tax. She explained that we could make those arrangements at other stations but we still have to consider the cost of time and gas used to go out of town to get fuel. Trustee Zanko suggested that we look into reward programs offered by some stations for car washes. Chief VonAllmen reported that he has arrangements for reduced car washes. President Hettermann stated that he would rather see the squads stay in town to obtain gas. He explained that he does not believe it is a good idea to require officers to travel out of town for fuel. Trustee Sisk questioned the payment to Johnsborg State Bank under Check 109762. Mrs. Cwerenz explained that it is the semi-annual payment on the triangle property. She questioned which facility the purchase of the flag was for. Ms. Peters stated that it was the Village Hall. All Trustees voted aye on the roll. Motion carried.

Trustee Janusz questioned the late fees raised earlier in the meeting. Mrs. Cwerenz questioned when the late fee was incurred and explained that she works diligently with vendors so that we do not receive late fees. She explained that some vendors such as BP and Mobile have very short due dates which she monitors closely and while some companies will work with you, companies such as Visa will not. Trustee Hutchinson asked Mrs. Cwerenz to address the statements made regarding the payment of invoices prior to the board meeting. Mrs. Cwerenz explained that she goes through the bills to see what payments will come do before the next meeting as we have contractual obligations that need to be met. She then brings the invoices to the Village Administrator if they need to be paid prior to the next meeting. Mrs. Cwerenz stated that they are contractual obligations and if the Board wishes her to handle them in a different manner, she would be happy to do so. President Hettermann reinforced that they are contracted services which we are obligated to pay. Trustee Sisk questioned how often the Village pays a late fee. Mrs. Cwerenz stated that it does not occur often. Trustee Sisk questioned if interest costs or late fees are tracked separately. Mrs. Cwerenz stated that they are not. Trustee Sisk questioned if it is something we should set up separately. Mrs. Cwerenz stated that we could set it up for the next fiscal year. Trustee Hutchinson suggested that we look into how often it occurs before major changes are done to the system.

HANEY FOIA COSTS - Trustee Hutchinson stated that in the interest of looking at expenses, she believes it is important that we look at what the Village's FOIA costs have been. She referred to Mrs. Haney's allegations and how they highlight her lack of understanding. She suggested that it may be a better use of Mrs. Haney's time to come in and meet with Mrs. Cwerenz rather than issuing FOIAs for the information. She stated that it was previously reported that Mrs. Haney's FOIAs cost the Village \$4,950 however her most recent FOIA utilized another 84.5 man hours at an additional cost of \$3,426.60. Trustee Hutchinson stated that it would be in the best interest of our taxpaying residents if Mrs. Haney would come in to meet with our Village Accountant and raise her questions rather than pursue costly FOIA requests. Trustee Hutchinson pointed out that there is another FOIA which has been received by the Village that is going to require more man hours and additional costs. She emphasized that there are better ways to obtain the information she is seeking without a costly impact to the taxpayers.

Trustee Hutchinson questioned Mrs. Haney's motives and whether they were retribution for the legal action she pursued against the Village and lost, or if they are to punish the Village and certain individuals that she is mad at. She stated that she is only wasting manpower and costing the Village residents a lot of money. She pointed out that the concerns Mrs. Haney brought up were easily answered by the Village Accountant in a matter of seconds. She stated that she will continue to tally the cost of Mrs. Haney's FOIAs and report on the impact to the Village. Trustee Hutchinson explained that she was responsible for developing an annual report and getting the Village's financials on the website despite Trustee Zanko's disagreeing as he did not feel anyone would read it. She added that she agrees with Mrs. Haney in that there needs to continue to be more transparency. Trustee Zanko questioned how many people actually go out to look at the report online. Trustee Hutchinson stated that it shouldn't matter how many people look at the information, it should be available to be accessed by the public. Trustee Janusz questioned the status of having a counter on the website. Trustee Hutchinson stated that we do have one.

RECESS FOR CLOSED SESSION - Trustee Sisk moved to go into Closed Session to discuss litigation affecting the Village. Trustee Huemann seconded the motion. All Trustees voted aye on the roll. Motion carried at 9:18 p.m.

RETURN TO REGULAR SESSION - Trustee Huemann moved to return to Regular Session. Trustee McEvoy seconded the motion. All Trustees voted aye on the roll. Motion carried at 9:42 p.m.

Trustee Huemann reported that one week from Saturday is the JABA Expo and encouraged everyone come out and assist. Ms. Peters suggested that Trustees email her if they are able to cover a shift.

ADJOURNMENT - Trustee Huemann moved to adjourn the meeting. Trustee Janusz seconded the motion. All Trustees present voted aye. Motion carried at 9:43 p.m.

Respectfully Submitted

Claudett E. Peters
Village Administrator

I did not want to experience the verbal attack like I did the last time that I spoke so I have prepared this statement to read.

I want the board to be aware of the following items and then determine if further action should be taken:

- At the last meeting Ron Zanko verbally attacked me. I do not know why he thinks that is OK but you were all there to witness it. Is that the way a Trustee should treat a citizen.
- At the meeting he said his committee was still looking into the matter and had requested more information. In fact his committee made a unanimous recommendation to delete the Administrative fee and any charges for professional fees for services performed by village staff. This was not a simple oversight. He had reviewed the meeting minutes that day for office staff to process per his email.
- At the meeting he said I should come to his next meeting if I had an issue with something they were discussing. In fact he had cancelled the next ordinance committee meeting that very day because the committee had nothing to discuss.
- After the board meeting he emailed the office staff to try and bring them into the fray. I said it was my opinion yet he contacted two of the ladies 3 times insisting they had to respond to him.
- At his committee meeting (I FOIA'd the recording) the following was said:
 - What professional services do our staff provide" "what professional services could our staff provide" "I can't think of anybody within the village staff that renders professional service"
 - "why should we have someone reimburse the village for staff? It's like charging a criminal for a police officer's time"
- Ron Zanko himself said (in reference to the idea of covering the "receptionists time") Oh the "Greet To" and then laughed.

We do charge criminals for police officers time. That is the basis for the impound fee (charging for the extra work involved). We don't have a receptionist or a "Greet to" as Ron referred to it. We have a talented administrative assistant that works on many things including dealing with citizens. She is the face of the village to most people. What gives Ron the right to "insist" that staff respond to him regarding a "disparaging comment" that was my opinion. And finally it should be apparent that the biggest form of disrespect is that his committee would make a recommendation without contacting the people who actually handle the work.

Ron is a bully. He bullied me last month when he totally disregarded the comments I made after the Committee of the Whole meeting. I have current experience with this issue in a Village that does not charge for the time. He bullied me at the last board meeting and then he tried to pull in the ladies in the office and bullied them to respond.

Ron should be reprimanded for the way he treated me last week. He represents this village and I don't think I deserved the treatment I got. With regards to the administrative fee issue I don't believe the board should act based on the committee's recommendation. The board needs to get good information from the staff prior to making a decision. That was all I was asking for in the first place.



Response to Laurie Cwerenz 2/7/13 Statement

I would like to follow up on the From the Floor discussion that occurred during the February 7th Village Board meeting regarding the overheard minutes of the Ordinance Committee meeting and statements made by Mrs. Cwerenz. For the record, my committee was tasked with looking into means for attracting new residential construction to the Village by looking at ways of reducing associated permit costs to the developers. When Mrs. Cwerenz stated that it appears that Trustee Zanko is trying to save the developers money, I would reply that the purpose of the ordinance committee's review was to do just that in order to entice new development. I would also add that developer related issues are Village business. For Mrs. Cwerenz to suggest that Village employees could be addressing other Village business rather than developer business defies reason. Mrs. Cwerenz went on to say that it is apparent that Trustee Zanko has not respected the Village staff for the past 3 ½ years. Assuming her reference was to the Village administrative staff, I would say that I have always had an excellent working relationship with the Village administrative staff including both past and present individuals. I have since contacted Debbie and Marikay on this issue to give them both the opportunity to discuss any concerns that they may have and to remind them that I maintain an open door policy to discuss any and all issues. Neither has responded to my invitation so, I can only assume that Mrs. Cwerenz accusation has no basis in fact and that the opinion stated was hers and hers alone. If Mrs. Cwerenz has other concerns relating to ordinance committee business, I invite her to attend a Ordinance Committees meeting to hear topics discussed in their entirety rather than formulating opinions based upon partially overheard recordings.