

**MINUTES OF THE
AUGUST 2, 2016 REGULAR MEETING
OF THE TOWN OF SUGAR GROVE
KANE COUNTY, ILLINOIS**

CALL TO ORDER: Supervisor Rowe called the meeting to order at 7:00pm followed by the pledge of allegiance.

ROLL CALL was taken. Present were: Trustees Lee Drendel, Laurene Geary, and Mike Fagel , Supervisor Tom Rowe, and Clerk Phil Silagi.

ALSO PRESENT: Abdullah Khan, Shari Baum, and Rick Johnson

PRESENTATION OF ANNUAL AUDIT: Mr. Abdullah Kahn, Knutte & Associates

Mr. Kahn began his presentation by stating that this is their fourth year of conducting the audit and that after 2 or 3 years, the auditor's gain a certain comfort level becoming familiar with the operation. In order to overcome issues that may occur due to familiarity, Knutte increases the level of testing in order to maintain the integrity of the audit. This year Knutte tested 60 random invoices from the Township, Assessor's Office, Road District, and Community Building. The random invoices reflected large and small amounts and they were throughout the year. In addition to invoices, they tested all deposits as well as disbursements and payroll. In their testing they found everything to be well documented and found no issues from a control standpoint. Journal entries were also tested and no issues found. The report made the following suggestions for improvement in controls. Since the Township does not prepare their own financial statements, Knutte expects the Board to read the audit and go through it line by line. In addition, they would like the Board to go through a disclosure checklist to make sure there was nothing that was missed in the audit. Mr. Kahn also suggested that Community Building deposits be made more frequently. Shari Baum stated that it wasn't practical to make deposits on a daily basis and Mr. Kahn said that due to the possibility of deposit being stolen, they should be made as frequently as possible and more frequently than monthly. Another recommendation is that the actual physical personnel files need to be updated to reflect current wage rates. Along with that recommendation, the Assessor needs to provide time sheets for every employee for each pay period as well as accrued vacation. Lastly, Mr. Kahn recommended that the Township develop an organization chart to more clearly define areas of responsibility so that employees are aware of the chain of command in the event that their immediate supervisor is not performing their job in an appropriate manner. Supervisor Rowe commented that due to areas of indirect responsibility, the chart will need to have dotted lines to some divisions to reflect those relationships. Mr. Kahn commented that the balance sheet looked very good with no issues and noted a net pension liability of \$203,000 which is not a concern. Next Mr. Kahn commented on the fund balances and noted that there were no issues and that the Road & Bridge fund had a declining balance in keeping with past recommendations. Kahn also noted efforts to reduce the fund balance in General Assistance. Supervisor Rowe commented that the balance was not excessive since a small number of qualified applicants could deplete it quickly. Mr. Kahn concluded by noting that no funds were in excess of budget and that the budgeting process was satisfactory.

PUBLIC COMMENT: none

JULY 5, 201 REGULAR MEETING MINUTES: Trustee Geary motioned, and Trustee Fagel seconded the motion to review and approve the July 5, 2016 regular meeting minutes, Trustee Fagel requested that the last sentence of the Trustee's Report be struck due to the sensitive nature of the comment. After review, Trustees Drendel, Geary, and Fagel, and Supervisor Rowe voted aye. 0 nays. Motion carried.

ACCOUNTS PAYABLE:

TOWNSHIP: Trustee Drendel motioned and Trustee Fagel seconded the motion to review and approve the July Town accounts payable. After a brief discussion, Trustees Drendel, Geary, and Fagel, and Supervisor Rowe voted aye. 0 nay. Motion carried. The balance in the Township checking account as of July 28, 2016 is \$436,265.62.

ROAD & BRIDGE: Trustee Geary motioned and Trustee Drendel seconded the motion to review and approve the July Road and Bridge accounts payable as presented. Trustees Geary, Fagel, and Drendel, and Supervisor Rowe voted aye. 0 nay. Motion carried. The balance in the Road & Bridge checking account as of July 28, 2016 is \$437,848.25.

REPORTS:

SUPERVISOR'S REPORT: Supervisor Rowe presented a written report of his activities during the last month. He also wanted to highlight the following items: Supervisor Rowe informed the Board that our health insurer, Land of Lincoln, is going out of business Oct. 1st. Greg Huggins, Laura Ross and I met with the agent who presented us with some Blue Cross Plan options for replacement insurance. Greg and Laura are researching the plans and it appears most of their doctors are in network. Supervisor Rowe commented, that pending Greg and Laura's approval, he would like to get through 2016 with some type of Blue Cross plan and re-evaluate providers for calendar year 2017. Supervisor Rowe stated that Blue Cross will honor deductibles already met for 2016. Supervisor then presented the Board with a salary survey from various Townships for the Board to review since they will have to set salaries for the new term sometime in the next two months. He commented that this ties into the health insurance discussion since any co-pays would affect total compensation. Supervisor Rowe also provided the Board with information on the TOI Trustee Awards should anyone be interested in nominating someone for this award. Supervisor Rowe then distributed an updated contact list and asked the Board to review for possible additions or corrections and to keep for reference.

ASSESSOR: No report.

ROAD & BRIDGE: No report.

CLERKS REPORT: No report.

TRUSTEES REPORT: Trustee Fagel reported that DHS is recommending that police not wear uniforms unless traveling in official vehicles in response to recent attacks on police. He also reported that they were concerned about foreign actors trying to influence our elections. Trustee Geary commented that she was approached by area residents who were very complimentary of the manner in which their questions and complaints were handled by the Assessor's office with regard

to increases in property taxes. Trustee Drendel reported that the Community House completed refinishing of the basketball court, removed the trophy case, and repainted the downstairs area. They are now in the process of repairing and replacing damaged concrete around the building.

UNFINISHED BUSINESS:

1. Health Insurance Update: Supervisor Rowe stated that the Township needs to make a decision by Aug. 15th in order for employees to be covered by Sept. 1st since Land of Lincoln will no longer be providing coverage Oct. 1st as previously discussed. Supervisor Rowe wanted to inform the Board that he Greg, and Laura will be choosing a provider and cutting a binder check later this month if there were no objections by the Board. The Board agreed since we have no other options to maintain coverage.
2. Bliss House Project Update: Azemi & Sons will begin work on the roof repair later in August. No permit will be required for the repair, however, one will be needed for the installation of the school bell. The Board discussed the possibility of combining the concrete work at the Community Building with the pad at the Bliss House if Azemi would be in agreement in order to save time and perhaps money.
3. Approval of Annual Treasurer's Report Fiscal Year Ending March 31, 2016: Supervisor Rowe stated that the Board has had a month to review this report and that they needed to approve this report at this month's meeting. Without discussion, Trustee Drendel motioned, seconded by Trustee Geary, to approve the Annual Treasurer's Report for the Fiscal Year Ending March 31, 2016. Trustees Geary, Drendel, and Fagel, and Supervisor Rowe voted aye. 0 nays. Motion carried.

NEW BUSINESS:

1. Consideration & Potential Approval of Audit for Year Ended March 31, 2016: Supervisor Rowe asked for a motion to approve the audit presented earlier in the meeting. Trustee Geary motioned, seconded by Trustee Fagel to Approve the Audit for Year ended March 31, 2016. Trustees Drendel, Geary, and Fagel, and Supervisor Rowe voted aye. 0 nays. Motion carried.
2. Consideration & Potential Approval of Knutte & Associates Engagement Letter: Supervisor Rowe present the Board with a letter of engagement to retain Knutte as auditor for the annual audit. The letter provided pricing for audits for years ending through 2019. Since the current Board did not want to commit the new Board beyond the first year, they decided to approve for next year only. After discussion Trustee Fagel motioned, seconded by Trustee Geary to Approve Knutte & Associates Proposal for Conducting the Annual Audit for the Year Ending March 31, 2017 in the amount of \$8,250.00. Trustees Geary, Drendel, and Fagel, and Supervisor Rowe voted aye. 0 nays. Motion carried.
3. TOI Annual Conference November 13, 14, 15 – Registration Deadline October 28: Supervisor Rowe provided the Board with the registration form for any Board members interested in attending.

ADJOURNMENT: Trustee Geary motioned, Trustee Drendel seconded the motion and the Board unanimously approved adjourning the regular meeting at 8:31pm.