

Rutland Township
16N491 Powers Road, Gilberts, IL 60136
Board Meeting Minutes, March 10, 2015

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The Rutland Township Board held its monthly meeting at the town hall on Tuesday, March 10, 2015. The meeting was opened at 7:01 P.M. with the Pledge of Allegiance. The Supervisor called the meeting to order and the roll call showed the following members present: Supervisor Sanders, Clerk Iverson, Trustees Schuldt, Payson, Bulmahn and Carlsen. Also present was Road Commissioner Schultz and Assessor Siers.

Trustee Schuldt made a motion to **Amend the Agenda**. The Trustee noted that the Board didn't need to discuss the OMA because the Township Attorney didn't have a new report. He also said he didn't feel that the RU2015-02 shouldn't be voted on, at this time. Trustee Bulmahn mentioned that the Board needed to talk about the excess spending before making any transfers. The Supervisor stated that the Township Attorney said that the Board shouldn't amend the agenda, two trustees took issue with that statement. Trustee Bulmahn suggested that the Board could take up the topic of any further transfers when talking about the financial reports. The Supervisor said she had been told by the Township Attorney to go ahead with the transfers, and that he also told her to get another opinion from The Township Officials of Illinois. Trustee Bulmahn seconded the motion to amend the agenda as stated by Trustee Schuldt. Roll Call Vote: Trustees Schuldt, Bulmahn, Payson and Carlsen – YES. Supervisor Sanders – NO. Motion Carried.

The Minutes of the February 10, 2015, meeting were Approved when Trustee Bulmahn made a motion to approve with a second by Trustee Carlsen. Roll Call Vote: Trustees Bulmahn, Carlsen, Schuldt, Payson – YES. Supervisor Sanders – NO. Motion Carried. The February 13, 2015, Special Meeting Minutes could not be approved because it was not listed on the agenda.

Public Comment – A resident wanted to address the Board but hadn't submitted a request. He left his request in the back of the townhall. When he produced it, it only had a topic of Budget on it. He asked to have the last votes explained to him because he said he didn't hear them. It was explained and then he remarked about the legality of what was voted on and discussed, as the Supervisor had presented the topics. He also spoke about the minutes and when he felt they should be submitted. It was explained that we were following procedures, this had been discussed with our Attorney and it wouldn't not be discussed again. When he continued to speak for seven minutes the Clerk notified the Supervisor that he already went over his allotted time by double. The Supervisor ignored the request. The Clerk called a Point of Order and was told, by the Supervisor, that the resident could continue speaking. The resident asked what the problem was and was told he had three minutes to speak, was well over his time, and was not addressing the topic he requested to speak about. The resident was upset by this, but continued to speak for another three minutes. Another resident asked a question regarding Route 72 and Big Timber Road.

Supervisor's Comment – NONE

Township and Road District Financial Reports for 10-months ending January 31, 2015. Trustee Carlsen had objections to the way the reports were being presented, and that the reports don't give all the information that is needed. Trustee Bulmahn said the Trustees were just asking for consistency. Trustee Schuldt suggested that the Supervisor could get help from an accountant, as was done in the past. Trustee Payson made a motion to accept the Town Reports and Supervisor Sanders seconded the

motion. Roll Call Vote: Trustee Payson and Supervisor Sanders – YES. Trustees Schuldt and Carlsen – NO. Trustee Bulmahn – ABSTAIN. Motion Failed. Supervisor Sanders made a motion to accept the Road District reports. There was no second to the motion. Motion Failed. **Presentation of the Financial Reports for 11-months ending February 28, 2015.** The Trustees spoke about the Assessor's Budget being 95% used as of the end of February. Trustee Bulmahn noted that the Board has, monthly, warned the Assessor that her expenses were running far ahead of Budget. He mentioned that the Board granted 100% of personnel costs, which had been increased 33% over the previous year. Trustee Bulmahn said the Assessor's Budget is 45% higher than the previous year, as of February 28, 2015. The Trustee talked about budgets being limits, this money is taxpayer money, and the Board is very careful with these funds. The Board and the Assessor talked about the Assessor's Budget. The Assessor started yelling at a Trustee and another Trustee asked her to refrain from yelling at the Trustees. The Assessor said she can't get the work done and the County will have to come in to do the assessments. Trustee Schuldt asked the Assessor how she managed when, last year, she had people out for maternity leave, surgeries, etc. but still managed to get the work done. Trustee Payson asked the same question and the Assessor said they got it done, "but not the way we should." Trustee Schuldt asked what the Assessor would do if her employees got sick, now, and she said they would have to deal with it. The Supervisor said she could transfer Township Funds to the Assessor's Budget. The Trustees said they are not authorizing the Supervisor to do this. The Supervisor said she could take 10% of the total budget, not just a line item. Trustee Bulmahn suggested the Assessor's office could take a loan from the Town, and pay it back out of the first monies from next year. **The February Salaries and Bills for the Township were reviewed and discussed.** A motion was made by Trustee Bulmahn and seconded by Trustee Schuldt to approve Salaries in the amount of \$14,908.84, bills in the amount of \$5,589.39, auto-pays in the amount of \$1,345.27 and Quickbooks in the amount of \$173.90, for a total of \$22,017.40. Roll Call Vote: Trustees Bulmahn, Schuldt, Payson, Carlsen and Supervisor Sanders – ALL YES. Motion Carried. **The February Salaries and Bills for the Road District were reviewed and discussed.** Trustee Carlsen asked the Supervisor some questions about voided checks. She mentioned that checks are out of date order, and would like to come in and see how things are done on the computer. The Trustee said she has searched back and can't find some of the checks. There was a motion made by Trustee Payson and seconded by Trustee Schuldt to approve Salaries in the amount of \$15,801.00, bills in the amount of \$3,596.83, auto-pays in the amount of \$343.59, and Quickbooks in the amount of \$82.70, for a total of \$19,824.12. Roll Call Vote: Trustees Payson, Schuldt, Bulmahn, Carlsen and Supervisor Sanders – ALL YES. Motion Carried.

Business Matters -

MFT – No change

Transfer of Funds – There was more discussion regarding either loaning the Assessor's office the money to pay the overage or not paying the employees. The Assessor did not want the loan.

Investments - Discussion ensued regarding the bank's regulation to have two signers for investments. Trustee Bulmahn will take a look at the current rates and give the Board a report next month.

Approval of 2015 Audit – Trustee Schuldt asked if Tighe Kress were the auditors that gave us the list of significant deficiencies. The Supervisor said she thinks the Board doesn't think she's honest. The Trustee stated that the auditors put forth this document. Trustee Carlsen read the entire list of significant deficiencies. A motion was made by Trustee Schuldt and seconded by Trustee Carlsen to approve a full audit to be done by Tighe, Kress and Orr in the amount of \$8,200. Roll Call Vote: Trustees Schuldt, Carlsen, Payson, Bulmahn and Supervisor Sanders – ALL YES. Motion Carried.

Other Business -

Requirement for E-mail addresses on website – It was determined that there is no such requirement.

Updating Website – Discussion

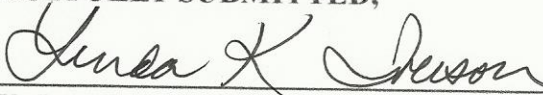
Approve Annual Meeting Agenda and Moderator Stipend – Trustee Schuldt suggested Al Roberts as Moderator and the Clerk will ask him. The Supervisor said the Clerk is responsible for the Agenda but the Clerk showed the Supervisor that it was not the Clerk's responsibility. However, the Clerk put together an Agenda for the Annual Meeting. Trustee Schuldt made a motion to approve the agenda and give a \$50 stipend for the Moderator. There was a second by Trustee Payson. Roll Call Vote: Trustees Schuldt, Payson, Bulmahn, Carlsen and Supervisor Sanders – ALL YES. Motion Carried.

Reports by Officials – Road Commissioner Schultz gave high praise to his road crew. Trustee Schuldt talked about the significant deficiencies presented by the auditors. He asked the Supervisor, since this audit will cost \$3,000 to \$4,000 more due to these deficiencies, was she planning to correct the deficiencies cited by the auditors. She said no, that she was following State Statute's. Trustee Bulmahn presented a newspaper article regarding property taxes. Trustee Schuldt asked if the Supervisor would give the Board emails or mail that is sent by our Attorney. The Supervisor said yes if the Trustees would give her all the correspondence they receive from the Attorney.

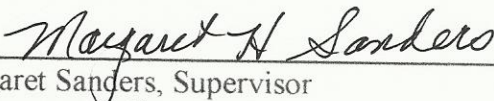
Adjournment – Trustee Schuldt made a motion to adjourn with a second by Trustee Payson. Voice Vote: ALL YES. The meeting was adjourned at 9:03 P.M.

Trustee Document Signing


RESPECTFULLY SUBMITTED,



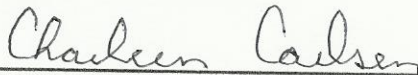
Linda K. Iverson, Clerk



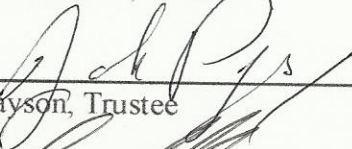
Margaret Sanders, Supervisor



Fred Bulmahn, Trustee



Charleen Carlsen, Trustee



John Payson, Trustee



Steve Schuldt, Trustee

July 3, 2013

To the Board of Trustees of
Rutland Township

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rutland Township (the Township) as of and for the year ended March 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal controls that we considered to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Rutland Township's internal control to be significant deficiencies:

1. There is a lack of segregation of duties for the recording and custody of assets, which includes:
 - a. bank reconciliations are performed by the same person who is in charge of billing, accounts payable and receipts
 - b. bank reconciliations are not reviewed and approved by someone other than the preparer
 - c. checks are written and signed by the same person
 - d. cash transactions are recorded by the same person receiving the cash or preparing the deposit
 - e. employees listed in Quickbooks payroll system are modified by the same person who generates payroll disbursements

Auditors List



Exhibit B

2. As apart of our audit procedures we recorded material adjusting journal entries to the Township's financial records. In preparing these entries the auditor became part of the Township's internal control process and the auditor cannot be considered part of the Township's internal control process in accordance with auditing standards generally accepted in the United States of America, therefore this is considered a significant deficiency.
3. During the audit process we prepared the Township's financial statements. In preparing the financial statements the auditor became a part of the Township's internal control process, and in accordance with auditing standards generally accepted in the United States of America, the auditor cannot be part of the Township's internal controls. However, we do acknowledge that the Board of Trustees and Management do have financial expertise to review and approve the financial statements. Therefore, this is considered a significant deficiency.

This communication is intended solely for the information and use of management, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Tighe Kress & Orr, PC

Tighe, Kress & Orr, PC
Elgin, Illinois