

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING OF THE BOARD OF TRUSTEES  
OF THE VILLAGE OF HARWOOD HEIGHTS  
HELD ON THURSDAY, MARCH 4, 2010**

A. **CALL TO ORDER** at 6:35 pm by Mayor Arlene C. Jezierny

B. **ROLL CALL –**

Mayor	Arlene C. Jezierny
Clerk	Marcia L. Pollowy
Trustees	Mark Dobrzycki (Absent) Michael Gadzinski Demetrios Mougolias (Absent) Therese Schuepfer (Absent) Lawrence Steiner Lester Szlendak
Attorney	Rob Bush

**Motion by Trustee Szlendak, seconded by Trustee Steiner**

**Motion to enter into Executive Session:** pursuant to (5 ILCS 120/2) Sec. 2. Open meetings © Exceptions. A public body may hold closed meetings to consider the following subjects: (1) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body.

A roll call vote to enter into Executive Session resulted as follows:

**A YES:** Trustee Gadzinski, Steiner, Szlendak, Mayor Jezierny

**NAYS:**

**ABSTAIN:**

**ABSENT:** Trustee Dobrzycki, Mougolias, Schuepfer

**Motion Carried**

**Reconvened Committee of the Whole meeting at 7:24pm.**

C. **PLEDGE OF ALLEGIANCE**

D. **ROLL CALL**

Mayor	Arlene C. Jezierny
Clerk	Marcia L. Pollowy
Trustees	Mark Dobrzycki Michael Gadzinski Demetrios Mougolias Therese Schuepfer (Absent) Lawrence Steiner Lester Szlendak
Attorney	Rob Bush

Also present: Chief Mario Ricchio  
Irwin Lyons, Miller, Cooper

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E. AGENDA ITEMS

Financial Audit Update

- Mr. Irwin Lyons from Miller Cooper & Company gave an in-depth presentation and review of the 2008 Financial Audit. Draft copies of the audit and corresponding letters were distributed to the board members to follow along with Mr. Lyons presentation.
  1. Mr. Lyons reviewed the various statements contained in the audit; the Financial Statement, the Independent Auditors' Report, and the Management's Discussion and Analysis Report.
  2. Mr. Lyons reviewed some of the challenges they were faced with after being engaged and approved as the auditing firm to perform the 2008 Financial Audit on December 23, 2008 by the prior board members; errors in the accounting software, unrecorded transactions, unbalanced bank statements, daily cash balances were balanced on a monthly basis as opposed to daily making it difficult to balance individual transactions, etc. Mayor Jezierny stated that these were only some of the problems that were encountered when the new administration took office; there were checks dating back from 2005 to 2009 that were never deposited totally over \$200,000 of which we were able to recover \$185,000. Also found was misappropriation of funds totally about \$100,000 that has now been turned over to the State's Attorney's office for investigation.
  3. Discussion ensued with questions from the board members relating to the auditors findings and problems encountered in preparing the 2008 audit.
  4. The final 2008 Financial Audit Report will be available for distribution early next week.
  5. Mr. Lyons discussed the major items in the auditor's management letter identifying the deficiencies in the internal controls that are considered to be material weaknesses or other deficiencies that are considered to be significant deficiencies that need to be addressed and rectified. Stated that the temporary accountants and current administration have corrected most of these deficiencies for the preparation of the 2010 audit reporting but indicated that the 2009 audit will still reflect some or all of the deficiencies identified in the Auditor's 2008 Management Letter.
  6. Auditors will begin working on the 2009 Financial Audit sometime in April. Indicated that the 2010 Audit preparation and filing should be on schedule following the timelines as of the close of the 2009/2010 fiscal year.

WSSRA

- Mayor Jezierny and Trustee Szlendak had a meeting with Sandy Gbur, the Director of the WSSRA, and it was discovered that the village has been over billed on the village contributions to the WSSRA starting in 2006 and continuing to date for a total of over \$47,000.
- Ms. Gbur will be at the next Committee of the Whole meeting to discuss the details of what happened and what is the final amount that is owed to the village. Wants to discuss a payment schedule with the board.
- Discussion ensued regarding concerns that the board members have regarding the formula calculations that are used to determine the village's share payment amount; about 440 households in Harwood Heights pay taxes to the Norridge Park District and should not be counted in the calculation.
- Mayor Jezierny indicated that we are not dropping out of the WSSRA and was concerned about the rumors that have been circulating; this program is too important to our residents.

Condo Conversions/Rentals

- Mr. Kotur owns a condo conversion building and with the hard economic times is finding it difficult to sell his units and what's the ability to rent out the units.
- Mr Kotur, who is an appraiser and a broker, reviewed the terms of Ordinance 06-33 and asked the board to strike or change section 17.24.050 item B 8 that states that a "condominium owner must live in their unit for at least one year before they can rent the unit." Ordinance 08-04 which amends Ordinance 07-11, grants a special use permit to Mr. Kotur to allow for the rental of the 12 units for a period of 5-years from the date the ordinance was approved.

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- Discussion ensued regarding the pros and cons of the requested change. The Village Attorney will review the request to make sure there would be no conflict of interest down the road. The attorney will review his recommendations with the board at the next Committee of the Whole meeting scheduled for Wednesday, March 31, 2010.

**Business Licenses**

- Mayor Jezierny reviewed some of the business license categories comparing them to what other communities charge for the same licenses and asked the board for their recommendations.
- In a lengthy discussion the board members felt that by increasing license fees in these economic times we would possibly lose a number of loyal license holders in all categories and possibly discourage others to apply for licenses within the Harwood Heights village limits.
- Mayor Jezierny stated that the License Inspector is going through every part of the village making sure that every business holder has a valid license with the village. Every restaurant will be visited to determine the exact seat count per establishment and will be charged the correct license fee.
- Discussion ensued regarding home based businesses and how they should be treated. There currently is no ordinance to control or regulate these businesses.
- The Attorney will research the regulating/licensing of home based businesses and will prepare a draft ordinance for the board to review.
- The board will look at the license fees again next year and determine at that time whether to raise the fees or not.

**Storage Facility Accommodations Tax Ordinance**

**Storage Facility Inspection Ordinance**

- The Self-Storage building on Ronald has approximately 651 storage units. If the accommodation tax ordinance imposing a 3% tax fee passes it would generate about \$23,000-24,000 a year.
- Attorney Rob Bush felt that the 2 items relating to the self-storage facility should not be combined into one ordinance. Even though they affect the same sections in the village code book they should stand alone as ordinances.
- Discussion ensued regarding whether the village has a right to inspect individual units and not just the common areas. Attorney Rob Bush requested that the village get a copy of the "leasing contract" from the self-storage facility so he could review it to possibly mirror some of the contract language in the proposed ordinance.
- Attorney Bush advised board to place the accommodation tax ordinance on the 3-11-10 board agenda for board approval.

**MSI Inter-Related Software**

- Chief Ricchio indicated that all unpaid parking tickets and compliance citations from 2003 to current have been transmitted to MSI for collection action. The Chief will update the board on a monthly basis and also will provide the board with monthly detail reports.
- Chief Ricchio explained to the board the difficulties encountered with the current software in gathering information that needs to be transmitted to MSI. Indicated that MSI has a data software program that will track, monitor and allows for easier transmission in the format used by MSI for reporting and follow-up procedures.
- Original cost for new software quoted was \$1,200 a month, or \$725.00 a month + 20% of revenue collected on local ordinance violations and 10% on parking tickets, or \$8,700 + per year. Chief Ricchio was able to negotiate with MSI for the annual cost of \$2,400.00 for the software, maintenance and support.
- Discussion ensued regarding the current manual process procedural costs, the proposed procedural costs if we use the MSI software (which would also include manual mailings/postage) or waiting and applying for a grant to replace the entire record system.

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**Credit Card Transactions**

- The credit card system has been set up and tested and is ready to receive payments.
- A training session was held for the adjudication process and for the front office staff to process water bills, license fees, permits, etc.
- In order to cover the monthly convenience fee charged to the village by the credit card company, it was suggested to incorporate a "Service Fee" on all credit card transactions processed through the village.
- Discussion ensued and it was agreed that a \$2.00 Service Fee should be placed on all credit card transactions.
- The motion to approve a \$2.00 service fee on all credit card transactions will be placed on the 3-11-10 board agenda for board approval.

**Approval of COW Minutes for February 4, 2010**

**Motion by Trustee Mougolias, seconded by Trustee Steiner**

- Approval of Committee of the Whole Minutes for February 4, 2010

**On a voice vote, all being in favor, (Trustee Schuepfer absent), the motion carried and the minutes for the February 4, 2010 Committee of the Whole meeting were approved.**

**NABTECH Service Agreement**

- NABTECH's agreement is up at the end of April. Trustee Szlendak is looking for an 18% reduction in expenses for the 2010/2011 appropriation expenses across the board; if NABTECH is not agreeable to a lower contract price, Trustee Szlendak will look for other vendors.
- Chief Ricchio indicated that NABTECH is always at our beck and call and that Mr. LaPorta goes way beyond the call of duty to service the whole village's IT system including Public Works and especially the Police Department. Mr. LaPorta provides the village with software, equipment and other services without any additional compensation.
- Discussion ensued, Trustee Mougolias suggested maybe we could go back to NABTECH and see if he could further reduce his contract fee, possibly a total of 10%. Chief Ricchio will contact Mr. LaPorta and discuss this matter.
- Motion to approve contract will be on the 3-11-10 agenda for board approval.

**Adjudication Review**

- Chief Ricchio will meet with the Village Attorney to review this subject.

**Resolution/ Intergovernmental Agreement – for Sayre Ave.**

- Mayor Jezierny updated the board on the next steps that are needed on this shared project for the resurfacing of Sayre Ave. Each village received \$110,000 in grant money for this project.
- The motions to approve the resolution and the intergovernmental agreement will be on the 3-11-10 board agenda for board approval.

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**Planners Update**

- Mayor Jezierny reviewed a copy of a report from the planners regarding the progress on the Land Use & Airport Compatibility Study. The Mayor met with Houseal Lavigne this past Monday with our Building Inspector, Carmen Rinaldi; our Village Attorney, Rob Bush and our Economic Development Coordinator.
- Update included progress on the website, key person interviews, collaboration with Public Works, Digital GIS data, existing land use inventory and detailed assessment, existing infrastructure inventory and detailed assessment.
- A Community Workshop for our residents is scheduled for Thursday, March 18, 2010 at 7:00pm.

**Youth Commission**

- Trustee Gadzinski presented a number of motions for expenses from the Youth Commission, requesting the board's consensus to include the expenditures on the 3-11-10 board agenda.
- The expenses on programs in the next fiscal year will be monitored by the amount of money collected for participation in each program event.

**Public Comment**

**Joan White:** Commented on the fees collected for Youth Commission activities, indicating that our village has some of the lowest fees in the area. Commented on the audit report from Mr. Lyons from Miller Cooper, indicating that all of the items identified as problem areas were in place when she was working for the village and wondered how those controls could have deteriorate so badly over the past few years. Commented on the self-storage inspection ordinance regarding random inspections and whether there would be a problem. Commented on the WSSRA, indicated that we have never been told how many of our residents actually participate every year. Suggested that the village pay the tax to the Norridge Park District for the residents that belong and participate in WSSRA programs; this could save the village a lot of money that we pay directly to the WSSRA.

**Roy Schmidt:** Had some questions regarding line descriptions on account numbers on a copy of the December 31, 2009 Financial Report that he received and how they differed from the account numbers on the Appropriation Ordinance line descriptions. Commented on the WSSRA and how they calculated the share costs for the members when he was the chair and how they changed the calculations each year; glad that the error was caught and the village will be getting money back. Commented on the non-exempt water users not paying their fair share on water usage.

**EXECUTIVE SESSION**

**Motion by Trustee Gadzinski, seconded by Trustee Dobrzycki to enter into Executive Session at 10:55pm; on a roll call vote, all in favor – (Trustee Schuepfer – Absent).**

**Motion to enter into Executive Session:** pursuant to (5 ILCS 120/2) Sec. 2. Open meetings © Exceptions. A public body may hold closed meetings to consider the following subjects: (1) The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body

**Motion by Trustee Dobrzycki, seconded by Trustee Szlendak to close Executive Session at 11:13pm; on a roll call vote, all in favor – (Trustee Schuepfer – Absent).**

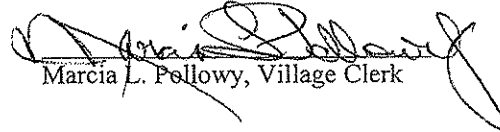
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Return to open session at 11:14pm; Motion by Trustee Dobrzycki, seconded by Trustee Steiner; all in favor – (Trustee Schuepfer – Absent).

**Adjournment**

Motion by Trustee Mougolias, seconded by Trustee Dobrzycki to adjourn. On a voice vote, all being in favor, the motion carried and the Committee of the Whole Meeting of the Board of Trustees of the Village of Harwood Heights was adjourned by Mayor Arlene C. Jezierny on Thursday, March 4, 2010 at 11:16pm.

Respectfully submitted,

  
Marcia L. Pollowy, Village Clerk