

**Lake in the Hills Sanitary District
Board of Trustees April 11, 2019
Executive Session Meeting Minutes**

Roll Call:

The executive session was called to order by President Hansen at 7:28 pm at the Sanitary District offices located at 515 Plum Street. Roll call was answered by President Eric Hansen, Trustee Terry Easler and Trustee Cheryl Kehoe. Also in attendance were Melissa Wolf of Storino Ramello & Durkin and the District Treasurer/Clerk Karen Thompson.

Executive Session:

Attorney Wolf informed the Board that their firm was directed to investigate allegations of certain conduct by the District Manager. These allegations included his use of District equipment for personal use and or personal purchases made with District funds. Trustee Easler asked how they received these allegations. Attorney Wolf indicated that this was a complaint brought forward and that the detail will remain confidential.

Attorney Wolf indicated that as part of their investigation, they interviewed all but one District employee. Attorney Wolf indicated that the District has an obligation to investigate these types of issues. She further indicated that as part of District policy each employee had the obligation to participate. Everything was handled professionally and civilly.

Attorney Wolf also indicated that she interviewed the District Manager today at his attorney's office. She further stated that the District Manager has no right to have an attorney present in this type of employment matter, however, they gave him that accommodation.

Attorney Wolf summarized her findings as follows:

The accusation that there has been use of District property for personal use has been sustained. In fact, this has been admitted to by the District Manager. The caveat is that this has been a practice with the District for quite a long time including under different management. District Manager indicated that there was a memo put together by the former District Manager that allowed for personal use of District equipment by employees. The written District policy prohibits this. Attorney Wolf further stated all employees would be required to return equipment the next business day, however, the District Manager has had possession of District equipment since December 2018. This equipment was returned, per the Attorney's order, two days after he was placed on paid administrative leave.

When this property was returned, it also included a Gator. That Gator was under suspicion for being the District Manager's personal property for which he had purchased new seats, tires and battery with District funds. District Manager's position is that it was always his intention that the Gator would belong to the District and would be used by seasonal summer help. According to Attorney Wolf, the District Manager further elaborated that he was given this Gator by a friend. He admitted to purchasing the items for it with District funds and admitted to storing it and the push mower on his property for the winter months. The District Manager's story about this Gator belonging to the District was corroborated by an employee during one of the interviews.

There are other suspicious purchases, however, they cannot be tied to District Manager's personal use. Therefore, these cannot be founded.

Attorney Wolf further indicated that District Manager has an employment contract that was executed in March of 2017. There is no term to the contract and it allows the Board to terminate his employment for any or no reason, however, upon termination he would get a 6 month severance. The only exception to that severance is if he is convicted of a crime as related to his duties as District Manager. In addition, this contract requires that the Manager live near the District in Algonquin and if he moves he needs Board approval to maintain his position as manager. Attorney Wolf further stated that as of summer 2018 the District Manager has moved, although he may still own his home in Algonquin. This has breached the contract. Attorney Wolf further stated that the severance provision (with the only exclusion is that he is convicted of a crime) is in violation of State law. She indicated that local government employees are only allowed up to twenty weeks of severance. Any contract that gives them a severance has to have an exclusion for misconduct, not criminal conviction.

Attorney Wolf has determined that there are no monitoring measures or accountability measures in place with regard to use of District equipment or the use of District Manager's vehicle. The employment contract indicates that this vehicle should be used for District business, however, the Manager has admitted to occasionally taking this home on the weekends. When he does take it home on the weekend it does not get used during that time for personal use. However, the Manager stated that his job is 24/7 and he may get called to work on a weekend.

She further indicated that there is no other person approving District expenditures. Although the District Treasurer processes the payments she is not a source of approval. The approval comes from the District Manager and the Board.

Attorney Wolf restated that there needs to be more internal control over the financial and operational aspects. She also recommends that the current policy on the books, which indicates no personal use of District equipment, be implemented. She further stated that there are no controls over use of the fuel tank. Although nobody has seen the District Manager or any other employee use the fuel for personal vehicles there is no control in place that would make sure that doesn't happen. Therefore, at minimum she recommends that there be a log book for the fuel tank or have some other procedure in place which has a check and balance.

She further stated that, although this is a small office, there needs to be some accountability of the District Manager. She believes that the Assistant District Manger should be allowed to fully assume her role and be given the authority to cross approve things such as expenses and the District Manager's paid time off. That way we are certain there is no question or future accusations like this.

Attorney Wolf's recommendation is that the Board institute discipline against the Manager for his use of and the past practice of allowing use of District equipment. In all other cases each employee needed to get District Manager's approval to borrow equipment, however, the Manager did not need to get approval from anyone. She believes that this is improper and sets a bad example for all employees.

Trustee Kehoe asked Attorney Wolf what her recommendation would be for discipline. Attorney Wolf recommends that the Board issue a hefty discipline of a 30 day suspension without pay. There could be some ability to negotiate on this. She would also recommend a revision to his employment contract that she believes is in violation of State law.

Attorney Wolf will speak with District Manager's attorney to negotiate these items. She also said that the District Manager will need to agree with letting the Attorney and the Board implement transparency and accountability changes. President Hansen agrees and said that this will also protect all employees at the

District. Trustees Easler and Kehoe agreed. The Attorney is also recommending that all employees go thru annual ethics training.

Attorney Wolf also indicated that she will provide the Board with a written report to indicate that they have investigated these claims and the claims were not substantiated but some things were in violation of the written policy of the District. She can have this report to them next week.

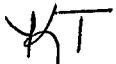
President Hansen wanted to know how long the negotiation would take. Attorney Wolf indicated that we can immediately notice this for a pre-disciplinary hearing as you cannot implement the suspension without this hearing. She will also reach out to the Manager's Attorney and presumes that he will also want to get this matter resolved quickly.

Adjournment:

There being no further business to bring before the Board, President Hansen asked for a motion to adjourn the executive meeting. Motion was made by Trustee Easler and seconded by Trustee Kehoe to leave executive session and reconvene the regular meeting. On a roll call vote, President Hansen and Trustees Easler and Kehoe voted aye.

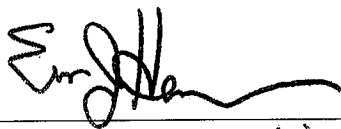
The executive session meeting was adjourned at 8:17 pm.

Respectfully Submitted,



Karen Thompson,
District Clerk

APPROVED this 12th day of March, 2020.



(via stamp)

Board President