

MINUTES
Advisory Commission on Labor and Development
Wednesday, July 7, 2021 - 11:00 a.m.
Village Hall of Tinley Park – Council Chambers
16250 Oak Park Avenue
Tinley Park, IL 60477

Members Present: Joe Sweeney, Chairperson
Larry Nichols, Vice Chairperson
Dan Ahern, Commissioner
Frank DiGiovanni, Commissioner
Mike Lafferty, Commissioner
Mike Macellaio, Commissioner
Tom McGrath, Commissioner
Mike Uylaki, Commissioner

Members Absent: None

Board Members Present: Michael W. Glotz, Village President
William A. Brennan, Village Trustee

Staff Present: D. Niemeyer, Village Manager
P. Carr, Assistant Village Manager
A. Brown, Village Treasurer
J. Urbanski, Public Works Director
C. Zemaitis, Assistant Public Works Director

Others present: John Kypuros, Carpenters Local 272

Item #1 - The meeting of the Advisory Commission on Labor and Development was called to order at 11:03 a.m.

Item #2 DISCUSS ROLE OF COMMISSION – Chairman Sweeney explained in addition to the advisory role, the Commission will allow Developers the opportunity to become more familiar with skilled labor companies. He stressed the importance of using skilled labor in the Village for projects over \$750,000. Chairperson Sweeney asked if there were any comments or questions. There were none.

Item #3 – DISCUSS CONSTRUCTION INDUSTRY TAX FRAUD - Chairperson Sweeney explained tax fraud, unfair treatment, and wage theft is a problem within the construction industry. Contractors can use their employment power over individuals to prevent them from reporting issues which leaves taxpayers on the losing end. This can be addressed at the local level by adopting an ordinance that addresses the problem.

Mr. Macellaio explained the Illinois Employee Classification Act that addressed the use of tax form 1099- MISC for employees. This practice allowed a business to avoid paying taxes, placing them on the employee. A study by the University of Illinois, used by the General Assembly, showed the loss of tax dollars, employee wages, and health benefits. This initiative will expand enforcement on businesses.

A discussion on setting up a career day as well as apprenticeship programs was had. Mr. Macellaio added this outreach could be combined as an education tool on tax fraud.

Pat Carr, Assistant Village Manager, thanked everyone for coming as this has been a focus item for President Glotz during his time on the Village Board. He stated that sharing information on suspect contractors would assist the Village in being proactive. John Urbanski, Public Works Director, concurred. Chairperson Sweeny stated this can be provided.

John Kypuros, Carpenters Local 272, presented an ordinance amendment the Village of Beecher recently adopted, to their contractor's license requirements. He highlighted 32-11 #4 which outlines how contractors must classify employees. He also outlined the procedure for an employee to submit a complaint to Beecher, Beecher's response to the complaint, and the penalties which can include license revocation. David Niemeyer, Village Manager, stated the Village has the ability to revoke a license via committee. In this situation, the criteria would be more expansive and the Village Attorney should be consulted. The City of Valparaiso added their Ordinance into the contractor requirements for a license. These types of changes may close loopholes that allow for tax fraud within the industry.

Mr. Uylaki asked when Valparaiso changed their ordinance. Mr. Kypuros stated in 2019. It was in response to a death on a job in which an investigation confirmed payroll fraud.

There were also discussions on certified payroll, per diems, out of state contractors, local contractors, and the Responsible Bidder Ordinance.

At this time Mr. Niemeyer introduced the Village Staff to the Commissioners

Item #4 – RECEIVE COMMENTS FROM THE PUBLIC –

Chairman Sweeney asked if anyone from the public would like to comment. No one came forward.

ADJOURNMENT

Motion was made by Chairperson Sweeney, seconded by Commissioner DiGiovanni, to adjourn this meeting of the Advisory Commission on Labor and Development. Vote by voice call. Chairperson Sweeney declared the motion carried and adjourned the meeting at 12:14 p.m.

dm