

Vermillion County Council Meeting Agenda/Minutes

Monday December 10, 2012

7:00 pm

Commissioners Courtroom, Courthouse, Newport, Indiana

- I. Call to order. President Mike Carty called the meeting to order.
- II. Roll call. Present were Mike Carty, Randy Dreher, Jim McLain, and Mike Costello.
- III. Approval of minutes from last meeting. Dreher made a motion to allow, seconded by Costello.
- IV. Transfer of funds:
 - Parks Department \$14,425.00 from various accounts to Building & Structure for use in building a walking patch at Hillsdale Park. Costello motion to allow, seconded by Dreher.
 - Clerk \$5,594.76 from various accounts to office supplies to purchase folders. McLain motion to allow, seconded by Costello.
 - Emergency Management \$5,755.00 from various accounts to repairs & maintenance to help for the siren narrow banding project. Costello motion to allow, seconded by Dreher.
 - Health \$3.50 from unemployment to social security. Costello motion to allow, seconded by McLain.
 - Health \$.36 from unemployment to medicare. Costello motion to allow, seconded by McLain.
 - Jail \$793.14 from Jailer 6 to Jailer 5. Costello motion to allow, seconded by McLain.
 - Probation. \$461.00 from Adult incentive to Health Insurance. Costello motion to allow, seconded by Dreher.
 - Extension \$3,000.00 from Postage to Travel. McLain motion to allow, seconded by Costello. Dreher was opposed.
 - Economic Development \$650.00 from capital outlays to office machines/equipment for copier lease and meter charges. Dreher motion to allow, seconded by Costello.
 - Commissioners Court \$600.00 from telephone to training and conference for the newly elected officials training. Dreher motion to allow, seconded by Costello.
- V. Additional Appropriations:
 - \$9,300 1000-33502-000-133. O'Heir said the money will be used to replace the Highway department radios, to comply with the FCC Narrow Banding requirements that go into effect on January 1, 2013. Dreher motion to allow, seconded by McLain.
- VI. Open issues
 - a) Sheriff Pension. Carty said he emailed Mark Clark, the President of the Merit board and they are working on setting up a joint meeting with the Commissioners, Council and Merit Board. He said he is trying for January 14th at 5:30 pm but is waiting to see if that is feasible for Clark. Ed Paynter with Morgan Stanley was present to answer some questions that were discussed at the last meeting. He said they got a quote from Old National Bank and the Trust Fee's would be ½ of 1%, a minimum of \$5,000.00 annual fees, a \$5.00 per check to the pensioner and \$2.50 for direct deposits. It would cost \$600 for the new trust agreement to be drawn up. He said Comerica, they bank they recommend is 1/10th of 1%, a minimum of \$1,000.00 annual fee and \$2.00 per check or direct deposit. He said there is not cost for the trust agreement. He said the total start up

with Old National Bank would be \$5,800.00 and for Comerica it would be \$1,400. He said First Financial Bank is not interested. Costello asked if the \$2.00 per check was taken out of the trust and Paynter said it was. Carty said it was an expense to the plan not the person. Paynter said Morgan Stanley is resigning so they have no choice and that Morgan Stanley recommends Comerica. He said Comerica is the biggest in the country. Costello made a motion to approve the recommendation that they go with Comerica, seconded by McLain.

VII. New business

- a) Sheriff Contract. Carty said the commissioners have already approved the contract. Dreher said when Spence first started he lowered his salary to be able to use that money for other positions. Dreher asked that if Spence's salary was increasing would those positions be done away with or kept. Spence said he doesn't remember what all was done but the goal was to not raise the overall budget and that is what was done and it has been very effective. He said some of the money was used to staff special deputies to serve papers to free up the regular deputies and keep them on the road. Spence said he dropped to \$75,000.00 then raised it to \$79,900.00 and is asking to raise it to \$85,000.00 for his final two years to get it back where it started for the new Sheriff. He said he has saved the county quite a bit of money over the years. Carty said the \$85,000.00 is still less than the 10% he would get without a contract. Spence said the meal money was a huge factor years ago. He said he is turning a lot of money back over to the county. He said he done other things to generate money as well. He said he used to charge \$12 for a Sheriff's deed but now charges \$200. He said the attorneys and banks pay those fees. He said every penny goes back into the general fund. Carty said the commissioners have recommended the contract. Costello suggested \$82,500 which would be a 3% increase. He said he knows the goal is to get back to the Sheriff's original salary and he doesn't want to shortchange Spence as he has done a good job. Spence said it is unusual because the Sheriff is the only elected official with a contract but that it does simplify things. Orman asked why the request wasn't but in at budget time. She said those figures have been approved and sent to the state. Carty said Spence has done a good job. Spence said it is a 2 year contract, \$85,000.00 for 2013 and 2014. Dreher said Spence has done an excellent job but feels they are being back-doored a little, that they should have set a plan in place 4 years ago. Spence agreed but said he wanted to see how the system was going to work. Dreher made a motion to allow the contract, seconded by Costello.
- b) 2013 Salary Ordinance. Costello made a motion to approved, seconded by McLain. Dreher was opposed.
- c) Insurance money. Commissioner Wilson asked if the Council was going to allow the General Fund to pay the first \$100,000.00 of the Highway's health insurance like they have done in the past. Costello said he thought it was discussed and allowed for at budget time. Orman agreed but said she would check and make sure. Tabled.
- d) Network Wiring Proposal. It Director Mike Phelps said the commissioners agreed to the proposal from ACS of \$75,849.50. He asked the council if they wanted to do a performance and payment bond at a cost of \$2,185.00. He said it provided protection to them and the vendor. He said he will need an additional \$32,500.00 to complete the project and needs to know if those funds will be available to him next year. He said he has \$24,000.00 in his current budget that he can encumber over if the council agrees to pay the remainder. He has \$20,000.00 appropriated in his 2013 budget so he will need the

\$32,500 to complete the project. He said the project is to rewire all the network cabling in the courthouse, add it to rooms that do not have it and to get all the phone wires up off the floor and into proper jacks. It said it will also centralize the technology equipment into 1 room and adds complete wireless access for in house and guest users. He said the performance bond is included in the total cost. He said it is all network not electrical wiring. He said the only other bid came in at \$134,000.00. Dreher said there is nothing really to act on but thinks it would be ok for Phelps to move forward. Phelps said that the company has worked with the local schools and does a really good job. Dreher said he is not opposed to it Costello said it needs to be done. Carty said they can't act until they get the actual request in 2013. Phelps asked if it was safe to move forward and the Council agreed that it was.

- e) Gas bids. Costello looked over the gas bids that the Commissioners will review at their next meeting and said the prices look good. He asked if the prices were good for all of 2013 and Orman said they were. Costello said that Scott's does the paperwork to get the gas tax refund and asked if it went back into the general fund. Orman said she would research it and find out.
- f) Pay for 2013. Cheryl Maggard said she received an email from the Auditor's Office stating that beginning in January they would have 1 day of pay withheld for the 1st 10 pays in the process of trying to correct and overpayment and stated they have not been overpaid. Orman said it is not an overpayment that they are correcting. Maggard said that Julian's email said as a salaried person it is our opinion that we are current. State Board of Accounts says the 1st pay of the year is what puts us as paid in advance. This year we were paid on 1/6/12 but only worked 1/1/12 thru 1/5/12. Maggard said that is not correct. She said the December 2011 pay period ended 12/22/11 and the final checks of 11 were issued on 12/23/11. She said they worked 12/23/11 through 12/31/11 and 1/1/12 through 1/5/12 and were paid on 1/6/12. She said there was no paying it in advance there. She said the check on 1/6/12 was for the time they worked from 12/23/11 through 1/15/12. She said this year their final paychecks are on 12/21/12 with a pay period ending 12/20/12. Maggard said that Julain said they don't start the new pay period until 1/1/13. She asked what is happening to their pay from 12/21/12 to 12/31/12. Orman said salaried personnel on 12/21/12 will have received their total yearly salary on that check and that it pays you through 12/31/12. In order to do what SBOA wants we have to hold 1 day pay starting 1/1/13 for 10 pays then we will be 10 days behind like we are supposed to be and not paid in advance. Maggard said she started 9/18/07 and her first pay was 10/5/07. Orman said she did not have that paperwork in front of her. Carty said he saw the SBOA audit and will have to take this under advisement but that it has to do with the annual salary; it doesn't matter when you started. Orman said we get paid our full salary in the current year. Carty said they argued with SBOA but it is what has to be done. Orman said the hourly people are paid as they should be and that salary people should be as well. She said the only other way to do it was to hold a month's pay. Costello said he called when he got the memo and that it is the same with the schools. You start on 8/15 but don't get paid until 9/15 but you get those 2 weeks back with you quit or retire. Orman said it is confusing but salaried people get their full 2012 salary on 12/21/12 even though the year is not over and you haven't technically worked those days. You get paid through 12/31 on 12/21 and SBOA says we can't do that. We haven't worked it yet so we can't be paid. Maggard said that wasn't the way the memo stated it. Orman said our

salaries are divided into 26 pays. Phelps said that makes more sense. Orman said we are not losing the 10 days, they are being withheld and you get them back 2 weeks after your retirement or quitting. Carty said your W-2 for 2012 will be your total 2012 salary. Orman said we did not come up with this and we don't like it either but it is what has to be done. Jim Miller said he understands she did not come up with it but the SBOA stated and IC code and the code says nothing about a salaried employee, it says public officer. He said he has worked and been paid but not in advance and he has not been overpaid but is being penalized. Carty said he would take it under advisement. Miller said it starts on 1/4 and they are going to loose pay. Carty said not losing, withholding, you will get the money when you leave. Miller said he understands that but he is still losing a day. Carty said lose is not the word, it is withheld, held back, we owe it to you and we will pay it to you. Miller said the SBOA did an audit and cited an IC code and that IC code does not apply to salaried people, nowhere in the code did it say salaried people. He said the definition of a public officer is someone that has been elected or appointed by and elected officer. Carty said he was appointed by and elected officer. Miller said he was hired. Carty said appointed through a hiring process and it is technically an appointment because you are paid a salary. Miller said the ordinance was written in 1989 and it is just now an issue. Carty and Orman both replied that it has been an issue for years and the SBOA writes them up over it year after year. Carty said they tried to ignore it but it has to be done. Phelps asked that if an employee starts on 1/1 they won't get a check for 2 weeks or a month. Costello said probably a month, depends on the pay periods. Orman said the issue is that someone gets paid on 1/21 and quits on 12/22 they have already been paid. Frank Gibson asked if they were paid an annual salary and Carty said yes and the annual salary is divided into 26 pay periods. Orman agreed. Gibson said so the problem is with the leap years and Carty said no. Gibson asked what the problem was then. He said they are paid 2 weeks after they start it's on the pay stub. Orman said the dates on the pay stub are not correct for salaried people; they are for the hourly people. Gibson asked if a new employee would be held back 1 month and Orman said it is possible. Gibson said we are already held back 2 weeks and Orman said that they are not. Gibson said he did not receive a paycheck the 1st day he arrived on the job. Gibson said so if the problem is the division, 5 or 6 days, he could understand it but if the salary is divided by 26 pays what is the problem. Orman said yes, the yearly salary is divided by 26 pays. Gibson said so it is the fact that the pay is based on 365 days not 360. Orman said we have to withhold 10 days per SBOA. Gibson said it doesn't make any sense; the SBOA doesn't make any sense. Costello said it will be clear with new hires. Gibson said if he was a new hire he would object. Costello said you get that time back after you leave. Gibson asked if it was possible to have someone show them the numbers on paper. He asked if they have received the correct salary for the year and Carty said yes and your W-2 will reflect it. Gibson asked if it matches the budget and Carty said yes. Carty said the accounting system we use is part of the problem. Orman said at the end of 2013 we will be short 10 days pay that will be encumbered over and paid at the beginning of 2014. Gibson said he doesn't understand the SBOA reasoning behind all this and suggested they come explain it to everyone. Carty said they would take it under advisement.

VIII. Adjournment. Dreher motion to adjourn, seconded by Costello.

Read in full and approved by the Vermillion County Council on the 14th day of January 2013.

Michael Carty

Randy Padish

Randy Dreher

Michael Costello

Lavonna Mattick

William Brent Bush

Jim McLain

Attest: _____
Phyllis Orman, Auditor