

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

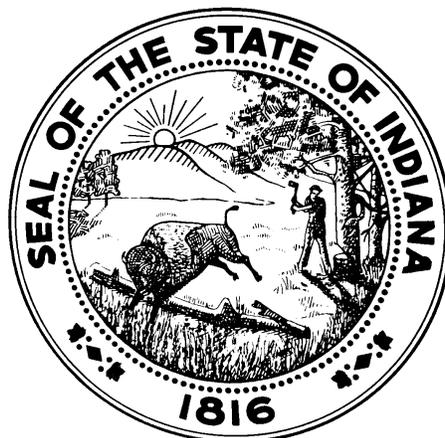
EXAMINATION REPORT

OF

TOWN OF BURNS HARBOR AND WASTEWATER UTILITY

PORTER COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
03/31/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-8
Supplementary Information:	
Schedule of Capital Assets.....	9
Schedule of Long-Term Debt	10
Examination Results and Comments:	
Transaction Recording	11
Payroll.....	11
Personnel Policies	11
Park Department Internal Controls.....	12
Park Department Fees	12
Park Nonreverting Operating Fund Appropriations	13
Exit Conference.....	14
Official Response	15-24

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jane M. Jordan	01-01-04 to 12-31-11
President of the Town Council	Bernard Poparad James P. McGee	01-01-06 to 12-31-06 01-01-07 to 12-31-08
President of the Sanitary Board	R. Michael Perrine	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BURNS HARBOR
AND WASTEWATER UTILITY, PORTER COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Burns Harbor (Town), and Wastewater Utility (Utility) for the period of January 1, 2006 to December 31, 2007. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town and Utility for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 20, 2008

TOWN OF BURNS HARBOR AND WASTEWATER UTILITY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Restated			Cash and
	Cash and Investments 01-01-06	Receipts	Disbursements	Investments 12-31-06
Governmental Funds:				
General	\$ 373,750	\$ 1,033,192	\$ 1,159,700	\$ 247,242
Motor Vehicle Highway	110,165	79,522	54,923	134,764
Local Road and Street	90,752	13,600	50,000	54,352
Park and Recreation	32,858	39,137	49,849	22,146
Park Nonreverting	9,397	3,448	2,311	10,534
Park Donation	3,457	955	879	3,533
Law Enforcement Continuing Education	17,546	4,552	5,088	17,010
Rainy Day	403,238	208,117	217,925	393,430
Police Donation	4,084	-	-	4,084
Fire Donation	373	-	-	373
County Mobile Enforcement Grant	1,600	3,790	5,390	-
Homeland Security Grant	-	73,787	69,878	3,909
Operation Pull Over Grant	-	2,000	1,957	43
Cumulative Capital Cigarette Tax	7,996	2,736	-	10,732
Cumulative Capital Development	354,068	19,925	52,960	321,033
Redevelopment Bond and Interest	689,555	1,395,052	583,532	1,501,075
Redevelopment Debt Service Reserve	950,248	1,331	-	951,579
Redevelopment General Fund	56,732	734,105	764,732	26,105
CEDIT	39,234	66,069	70,177	35,126
Levy Excess Fund	-	8,898	-	8,898
Proprietary Funds:				
Wastewater Utility - Operating	383,295	246,759	151,182	478,872
Wastewater Utility - Improvement	36,940	12,613	325	49,228
Fiduciary Fund:				
Payroll	(281)	443,476	440,594	2,601
Totals	\$ 3,565,007	\$ 4,393,064	\$ 3,681,402	\$ 4,276,669

	Cash and			Cash and
	Investments 01-01-07	Receipts	Disbursements	Investments 12-31-07
Governmental Funds:				
General	\$ 247,242	\$ 1,082,835	\$ 1,173,186	\$ 156,891
Motor Vehicle Highway	134,764	46,435	66,387	114,812
Local Road and Street	54,352	13,755	47,589	20,518
Park and Recreation	22,146	44,119	57,939	8,326
Park Nonreverting	10,534	4,393	6,000	8,927
Park Donation	3,533	860	3,647	746
Law Enforcement Continuing Education	17,010	3,852	2,720	18,142
Rainy Day	393,430	129,261	521,730	961
Police Donation	4,084	-	-	4,084
Fire Donation	373	-	-	373
County Mobile Enforcement Grant	-	4,038	4,038	-
Homeland Security Grant	3,909	11,099	14,949	59
Operation Pull Over Grant	43	2,200	2,203	40
County DUI/CJI Funds Grant	-	2,300	1,827	473
Cumulative Capital Cigarette Tax	10,732	2,691	11,998	1,425
Cumulative Capital Development	321,033	8,371	44,164	285,240
Redevelopment Bond and Interest	1,501,075	244,417	691,117	1,054,375
Redevelopment Debt Service Reserve	951,579	1,420	-	952,999
Redevelopment General Fund	26,105	54,231	42,567	37,769
CEDIT	35,126	48,595	68,716	15,005
Levy Excess Fund	8,898	-	8,898	-
Proprietary Funds:				
Wastewater Utility - Operating	478,872	241,916	129,285	591,503
Wastewater Utility - Improvement	49,228	3,712	-	52,940
Fiduciary Funds:				
Traffic Light Escrow	-	95,286	-	95,286
Payroll	2,601	538,819	539,221	2,199
Totals	\$ 4,276,669	\$ 2,584,605	\$ 3,438,181	\$ 3,423,093

The accompanying notes are an integral part of the financial information.

TOWN OF BURNS HARBOR AND WASTEWATER UTILITY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety (police and fire), highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services and wastewater treatment services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF BURNS HARBOR AND WASTEWATER UTILITY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Interfund Transfers

Interfund transfers for the years ended December 31, 2006, were as follows:

Transfer From	Transfer To	2006
General Fund	Other governmental funds	\$ 42,117

No interfund transfers were made for the year ended December 31, 2007. The Town typically uses transfers for cash flow purposes as provided by various statutory provisions.

Note 7. Loans Between Funds

The Town makes temporary loans between funds for current operating needs due to the delay in tax settlement distributions.

Short-term debt activity for the years ended December 31, 2006 and 2007, was as follows:

Loan Made To	Loan Made From	2006	2007
General Fund	Rainy Day Fund	\$ 166,000	\$ 488,000
Park and Recreation Fund	Rainy Day Fund	-	30,000
Homeland Security Grant Fund	Rainy Day Fund	-	3,730
Loan Repaid To	Loan Repaid From	2006	2007
Rainy Day Fund	General Fund	\$ 166,000	\$ -
Rainy Day Fund	Homeland Security Grant Fund	-	3,730

Note 8. Restatement and Reclassification

For the year ended December 31, 2005, certain changes have been made to the financial statements to more appropriately reflect financial activity of the Town. The following schedule presents a summary of restated beginning balances by opinion unit. New Funds represents the inclusion of existing funds which were not presented in the prior report.

TOWN OF BURNS HARBOR AND WASTEWATER UTILITY
NOTES TO FINANCIAL INFORMATION
(Continued)

Fund Type/Fund	Balance as Reported December 31, 2005	Fund Reclassification	New Funds	Balance as Restated January 1, 2006
Proprietary Fund:				
Wastewater Utility				
Bond and Interest	\$ -	\$ (689,555)	\$ -	\$ -
Governmental Funds:				
Redevelopment				
Bond and Interest	-	689,555	-	689,555
Redevelopment Debt				
Service Reserve	-	-	950,248	950,248
Redevelopment General Fund	-	-	56,732	56,732

Note 9. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (Indiana Code 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

TOWN OF BURNS HARBOR AND WASTEWATER UTILITY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 10. Subsequent Events

Fire Truck Purchase

On January 24, 2008, the Town Council entered into a capital lease to purchase a ladder fire truck for \$535,000 with the first payment of \$45,000 to be made using the trade-in of the Town's old fire truck. The remaining annual 15 payments of \$46,209 will begin January 2009. The interest rate is 4.74% per year.

Payment of Temporary Loans between Funds

On January 24, 2008, the Town repaid the temporary loans from the Rainy Day Fund to the General Fund and Park and Recreation Fund for \$488,000 and \$30,000, respectively.

Reassessment and Property Taxes

In accordance with state statutes, all counties were required to reassess property values prior to billing taxes in 2007. Significant delays in the reassessment process have resulted in delays in billing taxes in 2007. Tax bills were mailed on December 14, 2007, for the spring and fall installments, normally due in May and November. The taxes were due and payable in one installment with a due date of January 11, 2008. Officials anticipate receipt of the taxes collected sometime in March 2008; however, some advances have already been received.

TOWN OF BURNS HARBOR
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental funds:	
Capital assets, not being depreciated:	
Land	\$ 170,365
Buildings	418,589
Improvements other than buildings	178,841
Machinery and equipment	1,250,903
 Total governmental funds, capital assets not being depreciated	 \$ 2,018,698

	Ending Balance
Proprietary Fund:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$315,000
Infrastructure	6,978,350
Buildings	1,247,000
Machinery and equipment	18,420
 Total Wastewater Utility capital assets	 \$ 8,558,770

TOWN OF BURNS HARBOR
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance <u>12/31/2007</u>	Principal and Interest Due Within One Year <u>2008</u>
Governmental Activities:		
Revenue bonds:		
2005 Redevelopment Refunding Bonds	\$ 4,655,000	\$ 783,266

TOWN OF BURNS HARBOR AND WASTEWATER UTILITY
EXAMINATION RESULTS AND COMMENTS

TRANSACTION RECORDING

The receipts, disbursements, and balances of the Redevelopment Debt Service Reserve Fund and the Redevelopment General Fund are maintained in separate bank accounts; however, the activity of these funds was not included in the ledgers or the Town's Annual Report. The activity has been included in the Schedules presented in this report. The balance of these two bank accounts was \$990,767 at December 31, 2007.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PAYROLL

In addition to his earned leave time, a nonelected salaried employee was paid for 19 additional days of unearned leave time during 2007. Also, he was paid for an additional two days listed as "declared days off by the Town Council"; however, these days were not documented in the Town Council minutes.

Indiana Code 35-44-2-4 (d) states: "A person employed by a governmental entity who knowingly or intentionally accepts property from the entity for the performance of duties not related to the operation of the entity commits ghost employment, a Class D felony."

Appointed officials who are included in an employee benefit policy must maintain proper attendance records which shall disclose clearly the days worked, days missed, type of leave taken, etc. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Memoranda (minutes) of the meeting shall include the general substance of all matters proposed, discussed or decided. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PERSONNEL POLICIES

The current policy indicates that none of the employees shall receive paid leave time off; however, all full-time employees are being paid for two weeks of vacation leave.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

It is imperative for all cities and towns to have written guidelines and policies concerning fringe benefits, vacation and sick leave. Such policies should be in the form of an ordinance. If your municipality has no such written guidelines and is now, or wishes in the future, to provide fringe benefits to their employees please insist that the proper officials pass an ordinance. In future audits the State Board of Accounts will find it necessary to take an audit exception for any such payments made during the period of the audit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

All leave policies should specify how and when leave time is earned and whether or not such leave benefits may be carried over from year to year. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF BURNS HARBOR AND WASTEWATER UTILITY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PARK DEPARTMENT INTERNAL CONTROLS

The following deficiencies in internal controls were found at the Park Department:

1. Receipts were not posted to the Town Ledgers by the various categories: gate fees, boat rental, season passes, facility rentals, and shelter deposits. The Park Director should provide enough detail on the Report of Collections for the Clerk-Treasurer to properly post the various receipt types.
2. The Park Director prepared a Report of Collections on a nonprescribed form.
3. The Park Director did not retain a copy of the Report of Collections and attach the Town receipt.
4. The Park Director did not retain a copy of the facility rental forms for audit.
5. The Park Department receipts did not always list the facility rental date.
6. The Park Department did not collect from customers or remit to the Indiana Department of Revenue, sales tax on facility rentals.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

The Indiana Department of Revenue has also ruled that the following are subject to retail sales tax under Indiana Code 6-2.5:

1. Shelter House rentals . . . (Cities and Towns Bulletin, December, 2005)

All questions concerning the law or procedure for paying and collecting sales tax should be directed to the Indiana Department of Revenue, Sales Tax Division. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PARK DEPARTMENT FEES

The Parks Department rented shelters for \$30 during 2006 and 2007; however, the fee approved by the Park Board effective March 7, 2006, was \$35.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF BURNS HARBOR AND WASTEWATER UTILITY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PARK NONREVERTING OPERATING FUND APPROPRIATIONS

Disbursements were made from the Park Nonreverting Fund (Fund 211) of \$2,311.20 in 2006 and \$6,000.12 in 2007. Formal budgets and appropriations were not prepared and approved for these disbursements.

Indiana Code 36-10-3-22 states in part:

". . . (b) The unit's fiscal body may establish by ordinance, upon request of the board:

- (1) a special nonreverting operating fund for park purposes from which expenditures may be made as provided by ordinance, either by appropriation by the board or by the unit's fiscal body;"

TOWN OF BURNS HARBOR AND WASTEWATER UTILITY
EXIT CONFERENCE

The contents of this report were discussed on February 20, 2008, with Jane M. Jordan, Clerk-Treasurer; and James P. McGee, President of the Town Council. The official response has been made a part of this report and may be found on pages 15 through 24.

Town of Burns Harbor



1240 NORTH BOO ROAD
BURNS HARBOR, INDIANA 46304-9707
TELEPHONE 219-787-9413 • FAX 219-787-1353

JANE M. JORDAN, IAMC, CMC
CLERK-TREASURER

February 29, 2008

State Board of Accounts
Mr. Charlie Pride
302 West Washington Street
4th Floor, Room E418
Indianapolis, IN 46204-2765

In connection with your audit of the financial statements of the Town of Burns Harbor as of December 31, 2007, and for the two year period then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all materials respects, the cash and investment balances of the Town of Burns Harbor and the results of the receipts collected and disbursements paid on the cash basis of accounting, the following audit results and comments are being handled in the following manner:

1. Transaction Recording – The Clerk-Treasurer has accounted for all funds for the Redevelopment Bond Debt Service Reserve Funds on the Town's ledgers. Those funds will appear on the Town's Annual Report beginning in 2008.
2. Payroll and 3. Personnel Policies –Some background information is necessary for a complete response to the items identified under the section Payroll. Prior to November, 2001, the Town received approximately 85% of its Real Estate and Personal Property Tax Revenue from a single taxpayer, the Bethlehem Steel Corporation. In November 2001, after Bethlehem announced that it was filing for a bankruptcy reorganization and that it would not be paying its property tax installments for November 2001 or for all of 2002, the Town enacted Resolution 2001-201, entitled "An Emergency Resolution Implementing Cost Cutting Procedures to address Real Estate and Personal Property Tax losses to the Town of Burns Harbor caused by the filing for Bankruptcy Reorganization by the Bethlehem Steel Corporation," a copy of which is enclosed with this letter. The Resolution eliminated various positions and employment benefits for those remaining, essential employees. Prior to the Resolution, employees were generally provided with up to four (4) weeks vacation for employees with more than fifteen (15) years of service (Resolution 89-03, enclosed), seven (7) sick days, three (3) personal days (Resolution 93-48, enclosed), and paid holidays.

After the sale of Bethlehem Steel to ISG, and then to current owner, Arcelor-Mittal Steel, and the subsequent collection of property tax revenue from this property owner, the Town has informally reinstated the employment benefits it formerly provided to its employees. Many of these same employees remained employed by the Town during the time when no benefits were available to them and went several years without paid time off. The Town acknowledges the responsibility of documenting the action through meeting minutes and in ordinance or resolution form and admits that the gradual return of paid time off to its employees was accomplished without formality.

The Employee's Service Record of the employee noted in the audit demonstrates a use of leave consistent with the practice and policy of the Town prior to the Emergency Resolution. The dates taken as holidays are consistent with Town Resolution 2008-04, which authorizes pay for seven (7) holidays. The personal and sick days are consistent with the prior expressed policy of the Town. The vacation days taken during 2007 are two (2) weeks less than the amount of vacation permitted for an employee with more than fifteen (15) years' of service pursuant to Resolution 89-03.

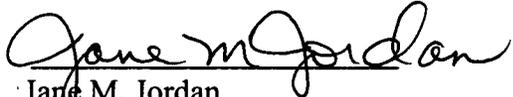
Regarding the citation to Indiana Code 35-44-2-4(d), the Town contends that the individual, salaried employee did not "knowingly or intentionally" accept payment for the dates in question, but was acting in accordance with the direction of his department's Town Council liaison. The Employee's Service Record, in fact, demonstrates a good faith attempt on the part of the employee to properly document all time off work in accordance with these directions. The Employee's Service Record is not indicative of an attempt to document as "worked" time that was not actually worked.

Although the Town contends that the citation to Indiana Code 36-4-8-9(b) appears to be applicable to "cities" rather than "towns", the Town nevertheless agrees that the best practice is to "maintain records to verify that actual work is performed for all salary paid." The particular employee cited in the audit informs the Town Council that the Employee's Service Record does not accurately reflect all of the hours worked, as there were numerous occasions where the employee, an appointed official and department head who is a salaried, exempt employee, worked hours in excess of the number of hours reported.

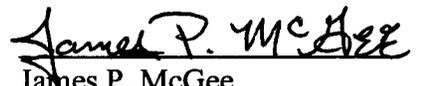
The Town Council has formed a Personnel Handbook Committee, which is reviewing its employment policies and practices and hopes to make recommendations for updates to the existing personnel policies to the Town Council once the Committee's review is complete. The Town Council will be discussing this subject at its next meeting on March 5, 2008, and will be taking measures to assist employees in properly documenting all time worked for the Town.

4. Parks Department Internal Controls and 5. Park Department Fees - The Clerk-Treasurer along with the Park Director, Park Board and the Park Liaison have already begun corrective measures to instill more specific internal controls in an effort to provide reasonable assurances regarding the reliability of financial information and records of the Park.

6. Park Non-reverting Operating Fund Appropriations – The Clerk-Treasure will assist the Park Board in filing additional appropriations for the 2008 Budget year for this fund. The Clerk-Treasurer with direction from the Park Board will file the proper budget forms for this Fund beginning with the 2009 Budget.


Jane M. Jordan
Clerk-Treasurer for the
Town of Burns Harbor

2/29/2008


James P. McGee
Town Council President for the
Town of Burns Harbor

2-29-08

RESOLUTION 2001-201

**An Emergency Resolution Implementing Cost Cutting Procedures
to address Real Estate and Personal Property Tax losses to the
Town of Burns Harbor caused by the filing for Bankruptcy Reorganization
by the Bethlehem Steel Corporation**

WHEREAS, approximately 85% of the Real Estate and Personal Property Tax Revenue annually received by the Town of Burns Harbor has been historically generated from payments made by the Bethlehem Steel Corporation; and

WHEREAS, the Bethlehem Steel Corporation has recently filed for Reorganization in Bankruptcy and as a result will not be paying its usual and customary Real Estate and Personal Property Tax installments for November of 2001, and May and November of 2002; and

WHEREAS, the loss of the tax revenue of the Bethlehem Steel Corporation for these (3) installment periods has caused a financial emergency for operating expenditures and debt service expenditures for the Town of Burns Harbor; and

WHEREAS, reductions in personnel, services, and expenditures are required in order to adjust to the loss of tax revenue caused by these circumstances;

NOW, THEREFORE BE IT AND IT IS HEREBY RESOLVED AS FOLLOWS:

(A) Expenditure Reductions:

The Town Council does hereby implement the following expenditure reductions:

- Cancellation of the Animal Control Agreement with Porter County.
- Cancellation of Leaf Pick-up contract with Porter County Solid Waste District .
- Cancellation of all subscriptions and dues for the Town, its elected officials, departments, department heads, and employees.
- Cancellation of all educational schools and training programs and any travel, lodging or other expenses pertaining thereto.
- Cancellation of town contribution to employees PERF plan (Employee share MB)
- Cancellation of comp. time for employees unless authorized in advance by the Town Council liaison to a department head. Any authorized comp. time must be used within the quarter when earned.
- Cancellation of short-term disability insurance, sick days, personal days, funeral days, longevity pay, and paid holidays for employees. + all vacation days. MB

(B) Personnel:

The following employment positions and employees filling these positions are terminated:

POSITION

EMPLOYEE

Deputy Marshal
Probationary Dep. Marshal
Radio Dispatchers

Officer Billy Biggs
Officer Lance Dawson
Hazel Shinneman
Judy Burton

Full-time Police Clerk
(Reduced to part-time/hourly)

Mary Ann Carpenter

General Laborer in GM dept.
Building/Street Clerk
(Reduced to part-time/hourly)

Lonnie Penrose
Lori McCormick

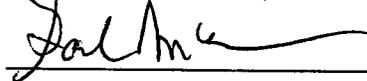
(C) Marshal Department - Car Use:

Use of vehicles in the Marshal's Department will be restricted as follows:

- The Marshal will retain his vehicle and "drive home" privileges.
- Two (2) patrol cars will be kept in service, one as an active unit and the other as a back-up. No "take home" privileges on these 2 squad cars will be allowed.
- The remaining 2 squad cars will be taken out of service and the vehicle insurance cancelled or reduced by the further order of the Town Council.
- The 2 active squad cars and the 2 inactive squad cars will be rotated every six months.

PASSED AND ADOPTED this 28th day of November, 2001.

**TOWN COUNCIL OF THE
TOWN OF BURNS HARBOR
PORTER COUNTY, INDIANA**

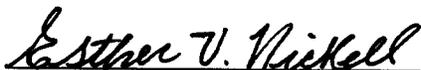








Attest:


Esther Nickell, Clerk-Treasurer

raw: BHEmergencyResolution20011sh

RESOLUTION 2008 - 04

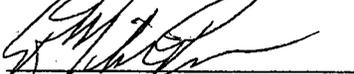
BE IT THEREBY RESOLVED by the Town Council of the Town of Burns Harbor, Porter County, Indiana, is hereby authorized to sign Accounts Payable Voucher, which lists all claims to the following holidays be observed by full-time employees and officials to the Town of Burns Harbor:

Monday	May 26, 2008	Memorial Day
Friday	July 4, 2008	Independence Day
Monday	September 1, 2008	Labor Day
Thursday	November 27, 2008	Thanksgiving Day
Friday	November 28, 2008	Day After Thanksgiving
Thursday	December 25, 2008	Christmas
Thursday	January 1, 2009	New Years Day

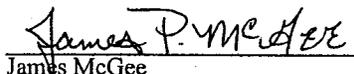
In addition to the seven (7) holidays above, full-time employees and officials will receive a float holiday to be taken any day of the employee's choosing within the 2008 year.

PASSED AND ADOPTED this 1st day of January, 2008.

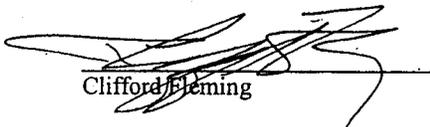
TOWN COUNCIL OF THE
TOWN OF BURNS HARBOR
PORTER COUNTY, INDIANA



R. Michael Perrine



James McGee



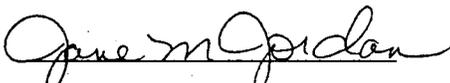
Clifford Fleming

Louis Bain



Toni Biancardi

ATTEST:



Jane M. Jordan, Clerk-Treasurer

January 11, 1989

Respectfully submitted,

William R. O'Kelly, General Maintenance Superintendent
James J. Meeks, Town Marshal

Discussion was held on this motion, and while the Trustees agreed that fifteen years is too long a time to wait for one additional week, the Board did not all agree that the submitted plan was best. Trustee Perrine withdrew his second. Trustee Poparad would not withdraw his motion, but it died from the lack of a second.

Trustee Perrine moved that the current vacation schedule be amended in the following fashion:

1 year but less than 2 years	1 week
2 years but less than 5 years	2 weeks
5 years but less than 15 years	3 weeks
15 years or more	4 weeks

Trustee Reed seconded the motion. Roll call vote was taken on this resolution (#89-03).

Ward 1 Mike Perrine - Aye
Ward 2 Danny Bryan- Aye
Ward 3 Larry Reed- Aye
Ward 4 Warren Boo- Aye
Ward 5 Raymond Poparad- No

Resolution 89-03 (amended employee vacation schedule) was passed by a 4-1 vote.

Trustee Reed read Resolution 89-04 and moved that it be accepted. Trustee Perrine seconded the motion. Roll call vote was taken. A unanimous roll call vote led to the passage of Resolution 89-04.

Resolution 89-04

To: Town Board of Trustees

Subject: Amendment to Rules and Regulations

From: James J. Meeks, Chief

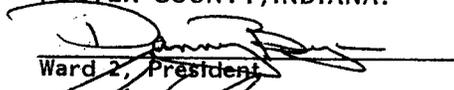
HIRING SECTION 2.01 QUALIFICATIONS

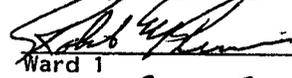
PRESENT: 2.01 G -----Applicants must be in good physical condition and able to pass a physical examination as required by the Department.

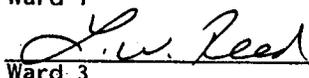
AMEND TO: 2.01 G -----Applicants must be in good physical condition and able to pass a physical examination as required by the Department. Each applicant will be required to pay for the physical in full. Applicants hired by this department will be reimbursed for all of the cost of the physical.

PASSED AND ADOPTED this 11th day of January, 1989.

TOWN BOARD OF TRUSTEES OF
THE TOWN OF BURNS HARBOR
PORTER COUNTY, INDIANA.


Ward 2, President

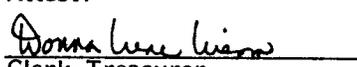

Ward 1


Ward 3


Ward 4


Ward 5

Attest:


Clerk-Treasurer

Attorney Welsh gave the original on this to Clerk-Treasurer Nickell, stating that it is the way Attorney Hiestand prepared it and it is ready for the signature of the Council President.

Building Commissioner Sutton and Liaison Poparad will report on the change of hours for the Building Commissioner at the next meeting.

Councilman Bolinger moved to approve all vouchers with three or more signatures. Seconded by Councilman McCormick. Councilman McCormick - Yea, Councilwoman Zehner - Yea, Councilman Bolinger - Yea, Councilman Poparad - Yea. Resolution 2001 - 155 passed.

Councilman Bolinger moved to approve the September 12, 2001 Minutes. Seconded by Councilman McCormick. Councilman McCormick - Yea, Councilwoman Zehner - Yea, Councilman Bolinger - Yea, Councilman Poparad - Yea. Resolution 2001 - 156 passed.

Councilman McCormick moved to approve the August, 2001 Financial Report. Seconded by Councilman Bolinger. Councilman McCormick - Yea, Councilwoman Zehner - Yea, Councilman Bolinger - Yea, Councilman Poparad - Yea. Resolution 2001 - 157 passed.

Regarding Babcock Road repair, Attorney Welsh stated that he had a conference with the Attorney for the developer of the subdivision in Chesterton and advised him of that situation and said he would like to have that resolved. He, in turn, has gotten together with the developer and has now told Attorney Welsh that he thinks that a reasonable resolution of that situation is possible and he will have the developer get together with our Street Department Head. Attorney Welsh also had a conference with Superintendent Wentz and they are expecting that to happen before the next meeting.

Councilman Poparad moved to go month to month with the purchase of gasoline split between the stations. One month they go to Williams Travel Center and one month from One Stop. Diesel will still go to Williams Travel Center. Seconded by Councilman Bolinger. Discussion followed. Councilman Poparad withdrew his motion. Councilman Bolinger withdrew his second. More discussion followed. Councilman Poparad went back to his original motion. Seconded by Councilman Bolinger. Councilman McCormick - Yea, Councilwoman Zehner - Yea, Councilman Bolinger - Yea, Councilman Poparad - Yea, Councilman Keppen - Absent. Resolution 2001 - 158 passed.

Councilman Poparad moved that said employee will fill out an application to take a vacation two weeks prior to that date. It will be approved two weeks prior to the date they want. They can have five (5) single days, vacation days, whatever they want, all approved. The rest of the vacation time will be taken in full weeks. We can't address the sick time because obviously they do not know when they are going to get sick. The personal days will be lumped in with the vacation days. They need written approval from their Department Head two weeks before that date. Seconded by Councilman Bolinger. Discussion followed. That applies to all Town employees.

Councilman Poparad amended his motion to include that employees have to work the day before and the day after a Holiday to get paid for the Holiday. Seconded by Councilman Bolinger. Discussion followed. It was clarified that they work the day before and the day after the Holiday unless they have a vacation slip and go all through the channels. So if they go through the channels and they know two weeks in advance, they get paid for that Holiday and have a day off a day after and still get paid for it. Councilman Bolinger called for the question. Councilman Poparad - Yea, Councilman Bolinger - Yea, Councilwoman Zehner - Yea, Councilman McCormick - Yea, Councilman Keppen - Absent. Resolution 2001 - 159 passed.

Vice President Zehner called for the vote on the original motion. Councilman Poparad - Yea, Councilman Bolinger - Yea, Councilwoman Zehner - Yea, Councilman McCormick - Yea, Councilman Keppen - Absent. Resolution 2001 - 160 passed.

Councilman McCormick moved that sick days can only be taken in four hour or full day increments. Seconded by Councilman by Councilman Poparad. Discussion. Lori McCormick questioned, " what happens when one of our employees is out of sick days and they call in and say, I'm sick, I want to use a vacation day?" They do not get paid. Superintendent Wentz asked,

"can they say, well, I'd rather take no pay?" Councilman Poparad said, "that's fine". Councilwoman Zehner stated, "if that happens, you will get them for their attendance". Councilman McCormick asked, "how does the Council want to handle if... since we have been going an hour or two hours at a time, if the person has less than four hours left, what are you going to do with those extra hours?" Councilman Poparad stated, "we need to leave it up to the Department Heads to be Department Heads", but wants this started next month. Councilwoman Zehner stated, "starting October 1st". Anybody who has two hours or one hour.... Councilman Poparad, "better use them up". Councilwoman Zehner, "next week, right". Councilman Poparad stated, "and they also have the personal days, which can also be a sick day". Councilman McCormick - Yea, Councilwoman Zehner - Yea, Councilman Bolinger - Yea, Councilman Poparad - Yea, Councilman Keppen - Absent. Resolution 2001 - 161 passed.

Councilman McCormick moved that if an employee does not use their vacation time within the year, since they can't carry it over, they get paid for it. Seconded by Councilman Poparad. Discussion. Councilman McCormick - Yea, Councilwoman Zehner - Yea, Councilman Bolinger - Yea, Councilman Poparad - Yea, Councilman Keppen - Absent. Resolution 2001 - 162 passed.

Richard Friday, Burns Harbor Scholarship Fund Director expressed appreciation to the Lions Club for their donation and encouraged other companies to participate in this endeavor.

Attorney Welsh gave a brief report on the easement situation on the properties north of Haglund Road. There are a total of 26 easements, which are needed in that area. At this time, there are 18 people who have agreed to give us the easement. There are another three property owners that he listed as "probable" to give us the easement. There is one property owner where he would classify that owner is an unknown factor as to whether we will get the easement or not and there are four property owners in that area that he concluded would not give us the easement. For the folks that feel that way, he wanted to make the Council aware of that and let them know that the only way that can be resolved is by bringing an eminent domain action in order to acquire the easement, as you have a right to do, in order to complete your public project. Attorney Welsh would like to have the authority to go forward and commence eminent domain with respect to any of those easements that it turns out are not going to be available to us in any other way.

Councilman Poparad made a motion to that effect. Seconded by Councilman McCormick. Discussion. Attorney Welsh has made numerous attempts to resolve these and is satisfied that there has been an effort made to get those people we need. In litigation time, you have to give them a certified offer, in which they will have an opportunity to take twenty-five days to respond. If they don't respond within twenty-five days, the law permits you to file suit immediately. As soon as the suit is filed, an immediate request for an appropriation hearing will be made in front of the Court and the Court will then order an appropriation. Councilman Poparad - Yea, Councilman Bolinger - Yea, Councilwoman Zehner - Yea, Councilman McCormick - Yea, Councilman Keppen - Absent. Resolution 2001 - 163 passed.

Councilman McCormick moved that if it is going to hold up the project, the workers on that road, then you take that line and you put it back of the schedule. Discussion. Motion died for lack of a second.

Councilman Bolinger explained that if a contractor is not able to go ahead in an orderly fashion and he has to pull off there, he has a right to ask for more money to move back on. Engineer Nagai said, "if he pulls it off the job. You could get into an immobilization issue, but with all the work that there is to do in Town, we are not going to be into that. That is an issue that would happen if we had everything in Town done and we were waiting for two easements to finish up and the contractor said, I've done everything I can do, then that would become an issue, but right now, that is not an issue".

Clerk-Treasurer Nickell reminded the Department Heads that we do not have a list of items for the Auction. It may have to be postponed.

seconded by Councilman Montreuil to accept the resolution as read. Ward 1 - Absent, Ward 2 - Yea, Ward 3 - Yea, Ward 4 - Absent, Ward 5 - Yea. Resolution 93 - 45 passed.

Improvement Location Permits for William P. Henning, Chester, Inc. and David Vallangeon were reviewed by the Council. The description for the property construction by Chester, Inc. was questioned by Ms. Helen Hess, Assessor. Bethlehem Steel Corporation, owner of the property, will check it out.

Motion by Councilman Poparad, seconded by Councilman Montreuil that William P. Henning be included in Resolution 91 - 61, which states that the Town of Burns Harbor will charge whatever Gary-Hobart Water Corporation is charging for the current tap-on fee in the Navajo Trail Project. Ward 1 - Absent, Ward 2 - Yea, Ward 3 - Yea, Ward 4 - Absent, Ward 5 - Yea. Resolution 93 - 46 passed.

Attorney Welsh opened two bids received for Old Porter and Salt Creek Road. One was from S & S Sewers for \$6,285.00 and the other was from Delta, Inc. for \$6,850.00. Motion by Councilman Poparad, seconded by Councilman Montreuil that the bids be taken under advisement. Ward 1 - Absent, Ward 2 - Yea, Ward 3 - Yea, Ward 4 - Absent, Ward 5 - Yea. Resolution 93 - 47 passed.

The following Amendment to the Rules and Regulations for all Departments was read by President Keppen:

Effective April 14, 1993, employees shall be allowed seven (7) sick days and three (3) personal days per calendar year.

1. Off two (2) days, or less, no M.D. slip required.
2. Off three (3) days or more in succession, must have an M.D. slip to be paid.
3. Days in excess of ten (10) days, singles included, will not be paid.

Salaried employees absent from work as a result of personal disability caused by accident or sickness on the job shall receive workmen's compensation only.

Personal days off require two weeks prior notice.

All vacation time must be taken as a complete days.

Motion by Councilman Poparad, seconded by Councilman Montreuil the amendment be accepted as read. Ward 1 - Absent, Ward 2 - Yea, Ward 3 - Yea, Ward 4 - Absent, Ward 5 - Yea. Resolution 93 - 48 passed.

Motion by Councilman Poparad, seconded by Councilman Montreuil that the March 24, 1993 Minutes be approved. Ward 1 - Absent, Ward 2 - Yea, Ward 3 - Yea, Ward 4 - Absent, Ward 5 - Yea. Resolution 93 - 49 passed.

Motion by Councilman Poparad, seconded by Councilman Montreuil that all Claims with three or more signatures be approved. Ward 1 - Absent, Ward 2 - Yea, Ward 3 - Yea, Ward 4 - Absent, Ward 5 - Yea. Resolution 93 - 50 passed.

Motion by Councilman Montreuil, seconded by councilman Poparad that the March Financial Report be approved. Ward 1 - Absent, Ward 2 - Yea, Ward 3 - Yea, Ward 4 - Absent, Ward 5 - Yea. Resolution 93 - 51 passed.

The Picnic Committee will meet on May 2, 1993 for re-organization.