

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

EXAMINATION REPORT
OF
TOWN OF FORTVILLE
HANCOCK COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
12/07/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Margie I. Manship Boyd L. Mitchell	01-01-04 to 12-31-07 01-01-08 to 12-31-11
Town Manger	Joe Renner	01-01-07 to 12-31-10
President of the Town Council	Phillip K. Scrogam Sean Simmons	01-01-07 to 12-31-07 01-01-08 to 12-31-10
Superintendent of Utilities	Joe Renner	01-01-07 to 12-31-10
Utility Office Manager	Rebecca Davis	01-01-07 to 12-31-10



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 FORTVILLE, HANCOCK COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Fortville (Town), for the period of January 1, 2007 to December 31, 2008. 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 for the years ended December 31, 2007 and 2008, 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

September 10, 2010

TOWN OF FORTVILLE
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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 56,191	\$ 1,303,138	\$ 1,037,199	\$ 322,130
Motor Vehicle Highway	414,499	341,278	570,657	185,120
Motor Vehicle Highway Wheel Tax	-	6,196	-	6,196
Local Road and Street	129,023	41,095	-	170,118
Park and Recreation	20,938	126,670	114,006	33,602
Law Enforcement Continuing Education	13,161	5,207	1,330	17,038
Riverboat	23,740	21,717	-	45,457
Rainy Day	-	27,385	-	27,385
Special Certified Shares	62,077	-	-	62,077
Kenna Grant/Housing	-	145,000	124,676	20,324
Operation Pullover	581	2,600	2,648	533
Traffic Safety Equipment	(89)	-	-	(89)
Donations	1,040	-	-	1,040
K-9 Fund	250	-	-	250
Park Donations/Non Reverting	32,315	210	-	32,525
PD Seizure	-	100	-	100
General Obligation Bonds	(23,585)	520,420	210,486	286,349
Cumulative Capital Improvement	77,324	12,097	8,850	80,571
Cumulative Capital Development	450,000	6,500	456,500	-
TIF	(5,381)	87,748	60,556	21,811
Levy Excess	21,120	-	21,120	-
Proprietary Funds:				
Water Utility - Operating	(1,019)	445,492	422,352	22,121
Water Utility - Bond and Interest	(500)	134,750	134,250	-
Water Utility - Depreciation	3,364	-	-	3,364
Water Utility - Customer Deposit	18,791	3,350	3,750	18,391
Water Utility - Construction	17,661	-	-	17,661
Water Utility - Debt Service Reserve	188,308	26,904	-	215,212
Wastewater Utility - Operating	(169,966)	771,155	601,189	-
Wastewater Utility - Bond and Interest	281,429	341,094	430,427	192,096
Wastewater Utility - Customer Deposit	25,664	13,400	8,898	30,166
Wastewater Utility - Debt Reserve	-	58,598	58,598	-
Wastewater Utility - DSR - Bony	396,255	848	3,600	393,503
Wastewater Utility - Construction	85,826	81,378	81,378	85,826
Storm Water Utility - Operating	366,917	257,482	339,961	284,438
Fiduciary Fund:				
Payroll	(19,144)	1,270,110	1,239,451	11,515
Totals	<u>\$ 2,466,790</u>	<u>\$ 6,051,922</u>	<u>\$ 5,931,882</u>	<u>\$ 2,586,830</u>

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

TOWN OF FORTVILLE
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, 2007 And 2008
(Continued)

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 322,130	\$ 1,171,755	\$ 1,147,319	\$ 346,566
Motor Vehicle Highway	185,120	304,721	282,789	207,052
Motor Vehicle Highway Wheel Tax	6,196	-	6,196	-
Local Road and Street	170,118	39,713	10,086	199,745
Park and Recreation	33,602	143,186	98,563	78,225
Law Enforcement Continuing Education	17,038	9,792	7,966	18,864
Riverboat	45,457	21,604	10,411	56,650
Rainy Day	27,385	52,576	25,000	54,961
Special Certified Shares	62,077	-	-	62,077
Kenna Grant/Housing	20,324	5,000	25,324	-
Operation Pullover	533	11,284	11,817	-
Traffic Safety Equipment	(89)	89	-	-
Bonar Grant	-	8,308	8,308	-
Donations	1,040	6,465	5,965	1,540
Drug Task Force	-	8,648	-	8,648
K-9 Fund	250	-	-	250
Park Donations/Non Reverting	32,525	-	3,832	28,693
PD Seizure	100	-	100	-
General Obligation Bonds	286,349	141,943	428,292	-
Cumulative Capital Improvement	80,571	11,200	1,160	90,611
Cumulative Capital Development	-	24,276	-	24,276
TIF	21,811	83,537	59,062	46,286
General Improvement	-	251,535	179,605	71,930
Proprietary Funds:				
Water Utility - Operating	22,121	578,077	565,877	34,321
Water Utility - Bond and Interest	-	137,661	134,250	3,411
Water Utility - Depreciation	3,364	86,636	-	90,000
Water Utility - Customer Deposit	18,391	4,300	3,672	19,019
Water Utility - Construction	17,661	-	-	17,661
Water Utility - Debt Service Reserve	215,212	6,726	168,150	53,788
Wastewater Utility - Operating	-	950,403	950,403	-
Wastewater Utility - Bond and Interest	192,096	530,352	438,621	283,827
Wastewater Utility - Customer Deposit	30,166	17,301	12,452	35,015
Wastewater Utility - DSR - Bony	393,503	50,317	593	443,227
Wastewater Utility - Construction	85,826	5,550	91,376	-
Storm Water Utility - Operating	284,438	260,470	387,024	157,884
Fiduciary Fund:				
Payroll	11,515	1,316,709	1,312,184	16,040
Totals	<u>\$ 2,586,830</u>	<u>\$ 6,240,134</u>	<u>\$ 6,376,397</u>	<u>\$ 2,450,567</u>

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

TOWN OF FORTVILLE
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides the following services: public safety (police), highways and streets, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater and storm water, and urban redevelopment and housing.

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 FORTVILLE
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. 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 (IC 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.

Note 7. Restatements and Reclassifications

For the year ended December 31, 2006, 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. Prior period adjustments represent a correction to a prior error in the cash balances.

<u>Fund</u>	<u>Balance as Reported December 31, 2006</u>	<u>Prior Period Adjustments</u>	<u>Balance as Restated January 1, 2007</u>
Wastewater - Construction	\$ -	\$ 85,826	\$ 85,826
Stormwater - Operating	452,743	(85,826)	366,917
Wastewater - Utility - DSR - Bony	284,388	111,866	396,254

TOWN OF FORTVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets:	
Land	\$ 852,210
Infrastructure	807,752
Buildings	100,673
Improvements other than buildings	-
Machinery and equipment	795,925
Construction in progress	<u>-</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 2,556,560</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets:	
Land	\$ 24,500
Infrastructure	1,695,131
Buildings	340,000
Improvements other than buildings	1,200
Machinery and equipment	<u>414,745</u>
Total Water Utility capital assets	<u>2,475,576</u>
Wastewater Utility:	
Capital assets:	
Infrastructure	\$ 4,415,452
Buildings	585,000
Machinery and equipment	<u>1,169,479</u>
Total Wastewater Utility capital assets	<u>6,169,931</u>
Storm Water Utility:	
Machinery and equipment	<u>1,473</u>
Total Storm Water Utility capital assets	<u>1,473</u>
Total business-type activities capital assets	<u>\$ 8,646,980</u>

TOWN OF FORTVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 Year Ending December 31, 2008

The Town has entered into the following long-term debt:

Description of Asset	Ending Balance	Due Within One Year
Governmental activities:		
Capital leases:		
2006 Police Car Lease	\$ 48,031	\$ 23,420
2008 Police Car Lease	115,000	22,481
Bonds payable:		
General obligation bonds:		
General Obligation Bonds of 2006	367,000	60,000
Tax Increment Bonds of 2005, Series A	296,000	24,000
Tax Increment Bonds of 2005, Series B	<u>395,000</u>	<u>12,000</u>
Total governmental activities long-term debt	<u>\$ 1,221,031</u>	<u>\$ 141,901</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
Revenue Bonds of 1998	<u>\$ 480,000</u>	<u>\$ -</u>
Total Water Utility	<u>480,000</u>	<u>-</u>
Wastewater Utility:		
Revenue bonds:		
Revenue Bonds of 1994	125,000	60,000
Revenue Bonds of 1999, Series A	1,040,000	70,000
Revenue Bonds of 2000, Series B	717,000	1,000
Revenue Bonds of 2004, Series A	1,508,305	95,000
Revenue Bonds of 2005	<u>1,089,329</u>	<u>65,000</u>
Total Wastewater Utility	<u>4,479,634</u>	<u>291,000</u>
Total business-type activities long-term debt	<u>\$ 4,959,634</u>	<u>\$ 291,000</u>

TOWN OF FORTVILLE
OTHER REPORT

The report presented herein was prepared in addition to the other official report prepared for the individual Town office listed below:

Clerk-Treasurer

TOWN OF FORTVILLE
EXAMINATION RESULTS AND COMMENTS

BOARD MINUTES

The December 27, 2007 Board meeting minutes were not available for examination. The January 21, 2008 Town Board minutes stated the former Clerk-Treasurer was responsible for the minutes and they had not received them. The February 28, 2008 Town Board minutes included statements asking the Town Attorney to retrieve the minutes and tapes of the meeting from the former Clerk-Treasurer.

IC 5-14-1.5-4 states in part:

"(b) As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7."

PUBLIC RECORDS RETENTION

The shelter house rental agreement form is to be completed for all rentals. The renter would have completed the form at the time of the deposit and additional information would have been added to the form until the conclusion of the arrangement. Most of the 2007 park shelter house rental agreements were not presented for examination. Fifty-seven rentals were tested and only 10 agreements were provided. A similar comment was issued in prior Report B30479.

The 2007 Utility payment posting stubs (receipts) were not presented for examination.

A receipt book covering March 27, 2007 through February 5, 2008, for the Police Department was not presented for examination.

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OFFICIAL BONDS

The Clerk-Treasurer's official bonds for the years 2008 through 2010 were not filed in the Office of the County Recorder. Additionally, the official bond coverage form and amounts for the 2009 and 2010 were not in the proper form. The bond amount was below the statutory requirements. A continuation certificate of a previous bond was obtained rather than a new bond.

TOWN OF FORTVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

Public Law 176, effective July 1, 2009, required that \$30,000 in official bond coverage be purchased for each million dollars in receipts from the prior year. Based on the receipts received in 2008, the bond amount would be the equivalent of \$180,000 for 2009 and 2010. The current coverage is for \$30,000.

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

It is our audit position that a new bond be obtained on an annual basis by those elected or appointed officers, officials, deputies or other employees required to file individual bonds in order to meet the annual coverage requirement in the new law. (Cities and Towns Bulletin and Uniform Compliance Guidelines, June 2009)

Public Law 176, House Enrolled Act 1514, effective July 1, 2009, raised the minimum amount of the official bonds for city controllers, city and town clerk-treasurers, and Barrett Law Fund custodians from \$15,000 to \$30,000.

Such bonds are required to be obtained on an annual basis and the amount of annual coverage must equal \$30,000 for each million dollars of receipts of the officer's office during the last complete fiscal year before the purchase of the bond.

The amount of annual coverage may not be less than \$30,000 nor more than \$300,000, unless the fiscal body approves a greater amount of coverage. The amount of annual coverage of the bonds of city judges and city clerks and other city and town persons required to file an individual bond shall be fixed by the fiscal body at not less than \$15,000. (IC 5-4-1-18) (Cities and Towns Bulletin and Uniform Compliance Guidelines, June 2009)

CONFLICT OF INTEREST

Some employees and Town Officials prepared the Uniform Conflict of Interest Disclosure Statement. The forms were located in the Town's files. No evidence was available to indicate that the forms were approved by the Town Council at a public meeting or filed properly with the required agencies. Annual disclosures were not made in some instances when an ongoing business relationship existed.

IC 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony. . . .

(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant. . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6).

TOWN OF FORTVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase. . . ."

(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant. . . .

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-9-2-2) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (1/2) of whose support is provided during a year by the public servant."

ESTABLISHMENT OF FEES - SHELTER HOUSE

The shelter house rental and deposit fee amounts were not included in the Town of Fortville Code of Ordinances nor was a resolution located establishing the amounts. Both the deposit and rental fees were paid by most people, but certain groups and some employees and officials were not required to make a deposit or pay rent for use of the shelter house. No policy was found authorizing the waiving of fees for employees, officials, or certain groups.

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)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

TOWN OF FORTVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

Fund	Years	Excess Amount Expended
TIF	2007	\$ 20,566
Cumulative Capital Development	2007	6,500
General Obligation Bonds	2007	174,200
General Obligation Bonds	2008	103,767

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

TAX DISTRIBUTION ERROR

The December 2007 distributions of excise tax and commercial vehicle excise tax (CVET) were not posted to the correct funds. The Motor Vehicle Highway (MVH) Fund received excise tax distributions which should have been receipted into the Park Fund. The amount posted to the MVH Fund in error was \$8,429.51.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Receipts or disbursements entered in the wrong column or account shall be corrected by reduction with red ink (or minus sign) in the account column of the original entry and by posting in the normal manner to the proper column or account with appropriate explanation, provided the original entry and the correcting entry are made in the same calendar year and only one bank account is affected. If not in the same year or more than one bank account is affected, correction shall be made by issuing a warrant (check) and official receipt. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 5)

EQUIPMENT PURCHASED BY LOAN

No ordinance was passed allowing the Town to borrow \$115,000 in October 2008 for the purchase of police cars and equipment. The Town Board minutes also referred to this transaction as a lease and allowed the lease, but the substance of the transaction was a loan rather than a lease. The contract signed was a "Master Equipment Lease/Purchase Agreement" and had terminology similar to common leases. This contract was offered by a finance company, not the vendor selling equipment. The funds borrowed were placed in an escrow account with the interest beginning at the initial borrowing. Then, invoices were sent by the Town to the escrow agent to purchase the equipment from various vendors. The original lender was Public-Finance.Com, Inc., A UCC Filing Statement has been made by the creditor for the equipment purchased with the loan proceeds.

IC 36-5-2-11(d) states:

"The legislative body may, by ordinance, make loans of money for not more than five (5) years and issue notes for the purpose of refunding those loans. The loans may be made only for the purpose of procuring money to be used in the exercise of the powers of the town, and

TOWN OF FORTVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

the total amount of outstanding loans under this subsection may not exceed five percent (5%) of the town's total tax levy in the current year (excluding amounts levied to pay debt service and lease rentals). Loans under this subsection shall be made as follows:

- (1) The ordinance authorizing the loans must pledge to their payment a sufficient amount of tax revenues over the ensuing five (5) years to provide for refunding the loans.
- (2) The loans must be evidenced by notes of the town in terms designating the nature of the consideration, the time and place payable, and the revenues out of which they will be payable.
- (3) The interest accruing on the notes to the date of maturity may be added to and included in their face value or be made payable periodically, as provided in the ordinance."

GENERAL CONDITION OF 2007 RECORDS

The electronic receipts and the accounts payable vouchers presented for examination were not maintained in an orderly fashion. The receipts, accounts payable vouchers, reports and other documents were comingled, with a great deal of disorganization. Additional time was spent locating the documents selected for examination. We could not determine if all of the 2007 records were presented for examination due to the insufficient organization.

Supporting documentation such as receipts, canceled checks, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CASH DISBURSEMENTS (Applies to Police Department)

Disbursements were not always made by check. The Police Department opened an unauthorized bank account for Drug Seizure and Buy Money in 2006. A debit card and checks were provided by the bank to make purchases out of the account. The Police Department spent approximately \$10,000 in 2007. Supporting information was provided for many of the 2007 purchases. None of these payments went through the claims process.

IC 5-11-10-2(a) states:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

TOWN OF FORTVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

Disbursements, other than proper petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

RECORDS EXCLUDED POLICE FUNDS

The 2007 financial records (ledgers) presented for examination were incomplete and not reflective of the activity of the Drug Seizure Account and the Buy Money Account. Similar comments appeared in several prior reports, most recently B30479.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CORRECTION OF ERRORS - ANNUAL REPORT

Some errors related to the 2008 payroll deduction posting were found by the Clerk-Treasurer during the preparation of the 2008 Annual Financial Report. The corrections were posted to the 2009 records, but the 2008 Annual Financial Report included the corrections as though they occurred in 2008. Because of this inconsistency in making the correction, the disbursements and ending balances reported on the Annual Financial Report were not in agreement with the records. Additionally, the bank reconciliation did not agree with the Annual Financial Report. All of the differences relate to the timing issue of reporting the transfer in 2008, but not recording it until 2009. Checks were issued to make the corrections in February 2009.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Receipt and disbursement corrections or other errors should be corrected by memorandum entry with the issuance of a check and receipt to document the flow of the transactions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ADVANCE COMPENSATION - VACATION AND SICK LEAVE

During the fall of 2008, an employee was sick for an extended period of time and exhausted all of his leave. He was paid a total of 166 sick and vacation hours when he had no leave balances available. On January 1, 2009, the new accruals took effect and employee's service record was adjusted with the hours advanced being deducted from the newly earned time. No approval for this was noted in the Town Council minutes.

TOWN OF FORTVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

COMPENSATION AND BENEFITS

The Salary Ordinances reduced the Clerk-Treasurer's salary beginning in 2003. State statute prohibits the reduction of an elected Town official's salary below a previous year's salary. A review was made of the proper payment of the Clerk-Treasurer's salary for the years 2000 to 2008. During this review several differences in actual pay were noted. The following schedule reflects the amount paid, using the W-2 and the statutory required salary amount along with any over or under payments.

Year	Clerk- Treasurer Salary, per Ordinance	Statutory Minimum, if Applicable	Amount of Compensation on Form W-2	Over/(Under) Payment Variance
2000	\$ 31,701.02	\$ n/a	\$ 31,147.58	\$ (553.44)
2001	32,800.00	n/a	30,752.14	(2,047.86)
2002	33,813.03	33,813.03	33,813.00	(0.03)
2003	27,101.00	33,813.03	27,101.00	(6,712.03)
2004	27,101.00	33,813.03	28,143.45	(5,669.58)
2005	27,101.00	33,813.03	27,101.00	(6,712.03)
2006	27,101.00	33,813.03	27,101.00	(6,712.03)
2007	27,101.00	33,813.03	27,101.00	(6,712.03)
2008	27,101.00	33,813.03	27,101.00	(6,712.03)
Total underpayment				<u>\$ (41,831.06)</u>

The current Clerk-Treasurer was underpaid \$6,712.03 during 2008. The former Clerk-Treasurer was underpaid \$35,119.03 for the years 2000 through 2007.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF FORTVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

IC 36-5-3-2 states:

"(a) As used in this section, 'compensation' means the total of all money paid to an elected town officer for performing duties as a town officer, regardless of the source of funds from which the money is paid.

(b) The town legislative body shall, by ordinance, fix the compensation of its own members, the town clerk-treasurer, and the town marshal. The legislative body shall provide reasonable compensation for other town officers and employees.

(c) The compensation of an elected town officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year.

(d) The legislative body may provide that town officers and employees receive additional compensation for services that:

- (1) are performed for the town;
- (2) are not governmental in nature; and
- (3) are connected with the operation of a municipally owned utility or function.

Subject to the approval of the legislative body, the administrative agency operating the utility or function shall fix the amount of the additional compensation, which shall be paid from the revenues of the utility or function."

UNPAID LOAN BETWEEN UTILITY AND TOWN FUNDS

As noted in prior Report B30479, a temporary loan of \$60,000 was made on October 1, 2005, from the Wastewater Construction Fund to the Tax Increment Financing (TIF) Fund. The loan called for one payment of principal and interest, \$62,100, due and payable within twelve months from the execution of the loan, at 3.5% interest, or October 1, 2006. Upon default, the entire unpaid balance of principal and interest shall become due and payable immediately, without notice. This loan was not repaid in 2007 or 2008.

IC 36-1-8-4 concerning temporary transfer, states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

- (1) Passes an ordinance or a resolution that contains the following:
 - (A) A statement that the fiscal body has determined that an emergency exists.

TOWN OF FORTVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

(B) A brief description of the grounds for the emergency.

(C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.

(2) Immediately forwards the ordinance or resolution to the state board of accounts and the department of local government finance."

CUSTOMER DEPOSIT REGISTERS

As stated in the several prior reports, most recently B30479, the Guarantee Deposit Registers (Registers) for both the Water and Wastewater Utilities, do not reconcile to either the Simplified Cash Journals or the Clerk-Treasurer's fund balances for the respective customer deposit funds. Reconciliations between the Registers and the Simplified Cash Journals were done and recognized a constant amount as the difference each month.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

UTILITY RECEIPTS TAX

For several years, the Water Utility has paid the Utility Receipts Tax to the Indiana Department of Revenue, but did not include all required receipts. Penalties and various other fees were not included in the total gross receipts.

The following have been determined to be taxable receipts for the purpose of calculating the utility receipt tax by the Indiana Department of Revenue:

1. Penalties,
2. Shut off fees,
3. Reconnect fees, and
4. Hydrant rental fees paid by water utility customers, and . . .

All questions on the utility receipts tax should be directed to the Indiana Department of Revenue at (317) 615-2662. (Cities and Towns Bulletin and Uniform Compliance Guidelines, December, 2005)

Generally, retail receipts from all utility services consumed within Indiana are subject to the utility receipts tax regardless of the point of generation or transmission across state lines. Receipts from the provision of mobile telecommunication service are subject to utility receipts tax to the extent that the receipts are sourced to Indiana pursuant to IC 6-8.1-15. However, gross receipts received by a political subdivision for sewage and sewage service are not subject to the tax. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF FORTVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

SALES AND UTILITY RECEIPT TAXES - REMITTANCE

A few instances were noted in 2007 and 2008 in which sales and utility receipts taxes for the Water Utility were not remitted timely. The sales tax for May, July, and December 2007 was not paid timely. The Utility paid penalty and interest of \$184.75 to the Indiana Department of Revenue for the late filing of the December 2007 sales taxes. Two quarterly payments for the Utility Receipts Tax were submitted after the due date, but no penalty or fine was paid.

Collections by a city or town from the retail sale of tangible property, utility service, or commodities in the performance of private or proprietary activities are subject to sales tax. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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)

TOWN OF FORTVILLE
EXIT CONFERENCES

The contents of this report were discussed on August 9, 2010, with Margie I. Manship, former Clerk-Treasurer. The official concurred with our audit findings.

The contents of this report were discussed on August 3, 2010, with Boyd L. Mitchell, Clerk-Treasurer; Cyndi Mitchell, Deputy Clerk-Treasurer; and Sean Simmons, President of the Town Council. The official response has been made a part of this report and may be found on pages 22 through 31.

Additional information was provided to us and analyzed on September 10, 2010. Modified comments were mailed to Margie I. Manship, former Clerk-Treasurer; Boyd L. Mitchell, Clerk-Treasurer; and Sean Simmons, President of the Town Council.

OFFICIAL RESPONSE
TO 2010 STATE BOARD OF ACCOUNTS AUDIT
TOWN OF FORTVILLE, INDIANA

OFFICIAL BONDS

The auditor correctly stated the law changed in 2009; however, neither the Town, nor apparently the insurance agent, were aware of the change. I am sure if the agent in particular had been aware of the change, they would have been notifying the Town to increase the amount of their bond to comply with the revised statute, since that would have meant an increased premium. This was never done. Furthermore, this audit is for calendar year 2007 and county year 2008 and therefore a 2009 change in the law would not be an appropriate comment for this audit and we are therefore requesting this comment be deleted. We have taken steps to have new bonds issued in the correct amount and will record those in the Office of the Recorder of Hancock County.

EQUIPMENT PURCHASED BY LOAN

For reasons the Town cannot fathom, and despite the clear and unequivocal language of the documents themselves, the auditor has chosen to ignore the fact that the master equipment lease is just that and not a loan. She also fails to acknowledge that there was a resolution authorizing the execution and delivery of this lease agreement, which was Resolution No. 2008-R-6B.

The lease agreement clearly is not a loan and does not qualify as such under Indiana Code 36-5-2-11(d) as set out in the comment, because there is not any note evidencing the loan or the revenues out of which the lease payments will be made nor is there any interest accruing on the note to the date of maturity. The fact that there is no interest, unless there is a late charge, would also indicate that this agreement does not constitute a loan under Internal Revenue Service regulations. Thus, clearly this agreement is a lease and not a loan.

In December 2007, the State Board of Accounts issued a Cities and Towns Bulletin, a copy of which is enclosed regarding Unified Compliance Guidelines as they pertain to lease/purchase agreements and in particular indicated that these agreements were not subject to the Public Purchasing Law. We followed the provisions of the circular issued by the Board of Accounts in adopting and entering into this lease agreement and believe the comment should be stricken from the final report.

COMPENSATION AND BENEFITS

The Town maintains that the position of the auditor is legally and factually incorrect and

exceeds the statutory/regulatory provisions applying to audits. First and foremost, the current audit was to be an audit for tax years 2007 and 2008 only. Previously, the State Board of Accounts conducted an audit from January 1, 2005 through December 31, 2006, filed September 20, 2007 in which, contrary to the current audit, found, quite correctly, that the Clerk-Treasurer actually had been overpaid. Said audit, reviewed the same materials, including salary ordinances, W-2's, and payroll information that were available to the current auditor, but made no comment or finding that the Clerk-Treasurer had been underpaid for any reason.

We believe the finding of September 20, 2007 to be correct and those of the current audit incorrect for the following reasons:

Indiana Code 36-5-3-2 defines compensation to mean the total of all monies paid to an **“elected town officer”** for performing **“duties as a town officer”**. Clearly the Clerk-Treasurer is a town officer, but the question becomes what are her duties. Fortunately, there is a court case that has decided that utility financial duties are not included within the statutory duties of the Clerk-Treasurer. That case is *Schafer v. Sellersburg Town Council*, located at 714 N.E. 2nd 212. The particular issue in that case was whether or not the Town Council had the right to take away from the Clerk-Treasurer the financial duties and functions of the utility and award a contract to perform those functions to a third-party. The Clerk-Treasurer vigorously argued that the action of the Town Council usurped her duties under Indiana Code 35-5-6-6. The Court specifically found that the Town was well within its rights to control the financial functions of the utility and to award them to any person or entity they saw fit.

The Clerk-Treasurer in our case, while clearly an elected official, also opted to be an employee of the Town, paid from separate funds for separate duties unrelated to her statutory duties. In 2001, by Resolution No. 2001-4A, the Town Council awarded those duties to other employees of the utility under the supervision of the Town Manager. Therefore, from that date forward the Clerk-Treasurer was not entitled to any payment from the utility.

Ordinance No. 2001-12A, which was the 2002 salary ordinance, clearly shows that the Clerk-Treasurer's position pay was \$27,101.00. Section III deals with longevity compensation, but only applies to employees. There is not any provision in said ordinance, prior salary ordinances, or subsequent salary ordinances for longevity payments to elected officials, including the Clerk-Treasurer position. Ms. Manship was an employee of the utility separate and distinct from her Clerk-Treasurer's duties and when no longer an employee, as of May 22, 2001, upon the passage of Resolution No. 2001-4A, was no longer entitled to such longevity compensation.

Thus, it is clear that Ms. Manship's functions as an employee of the utility department

were separate and distinct from her functions and statutory duties under state law as Clerk-Treasurer, that the Town was entirely within their legal rights to terminate her services as an employee and end her compensation for such services, including employee longevity pay. Therefore, the Town strenuously requests deletion of this comment for the above reasons.

We have enclosed copies of the December 2007 bulletin, ordinances, resolutions and a copy of the case referenced for your review.



Sean Simmons, Council President
Town of Fortville, Indiana

CITIES AND TOWNS BULLETIN

AND UNIFORM COMPLIANCE GUIDELINES

Page 8

December 2007

LEASE-PURCHASE AGREEMENTS

In purchasing equipment from budgeted funds, the purchasing agent for a city or town has the right to enter into a rental with option to purchase agreement if the rental charge is fair and reasonable.

Before such an agreement can be legally entered into, there must be a sufficient appropriation balance available for payment of the current year's rental charge. This agreement should not obligate the city or town for payment of rental beyond the current year's appropriation. Provision may be made in the agreement for renewal for succeeding years by rental payments subject to appropriations being available therefore.

If the original gross cost of the equipment (without consideration of any trade-in) exceeds one hundred fifty thousand dollars (\$150,000) the purchasing agent must advertise for bids and award a contract with reasonable promptness by written notice to the lowest responsible and responsive bidder in compliance with the Public Purchases Law (IC 5-22).

If the original gross cost of the equipment (without consideration of any trade-in) is at least fifty thousand dollars (\$50,000) and not more than one hundred fifty thousand dollars (\$150,000), the purchasing agent must invite quotes from at least three (3) persons known to deal in the equipment to be purchased under a lease with option to purchase agreement.

Only by awarding a contract pursuant to IC 5-22 would the city or town have authority to purchase the equipment at a later date. A lease-purchase agreement will often contain an option to purchase at the end of the lease term for nominal consideration or no additional consideration.

The specifications for the equipment must be recognized standard specifications to allow competitive bidding and should provide for the bidder to quote the total purchase cost, the rental charge to be made, and the percentage of the amount of the rental charge that will be credited toward the purchase cost should the city or town exercise the option to purchase. Any interest or carrying charges must be made a part of the original bid price without specific reference made thereto.

Compliance with the above requirements will allow the purchasing agency to exercise the option to purchase at any time a sufficient appropriation for the equipment is available.

Remember, as mentioned above, whether or not the equipment should be bid is based on the original cost of the equipment and is not based on cost less trade-in or on the annual lease rental payment amount.

CHILD SUPPORT WITHHOLDINGS

IC 31-16-15-16 requires employers that employ more than fifty (50) employees and that withhold child support from more than one (1) obligor to make payments to the State Central Collection Unit through electronic funds transfer or through electronic or internet access made available by the state central collection unit. All questions should be directed to Family and Social Services, Division of Family and Children, Indiana Child Support Bureau, at (317) 232-0327 or 1-800-292-0403 or email at EMU@dcs.in.gov.

ORDINANCE 2001 -12A
2002 WAGE, POSITION AND SALARY ORDINANCE FOR THE
TOWN OF FORTVILLE

BE IT ORDAINED THAT THE FOLLOWING SHALL BE IN EFFECT FOR THE YEAR 2002.

Section I - Compensation

The following compensations shall be divided by the number of pays as listed on the table in Section V of this ordinance and paid according to that table.

Town Council	\$ 2,000.00
Clerk-Treasurer	\$27,101.00
Parks Board Member	\$ 200.00
Town Attorney	\$ 7,800.00

Section II – Base Pay Compensation

The following base salary amounts shall be divided by the number of pays as listed in Section V of this ordinance and paid each two weeks from the listed funds in 2002 with the first pay date being January 4, 2002. The position of Office Manager is a title change from Billing Clerk in 2001.

Position	Base Salary
Office Manager	\$ 1,712.03
Town Marshal	\$ 41,200.00
Deputy Marshal	\$ 30,900.00
Deputy Marshal (probationary)	\$ 26,000.00
Town Manager	\$ 44,290.00
Administrative Assistant	\$ 28,840.00
Plant Utilities Superintendant	\$ 41,200.00
Plant Utilities Cert. Operator	\$ 30,900.00
Street & Distribution Superintendant	\$ 41,200.00
Street & Distribution Cert. Maint.	\$ 28,840.00
Street & Distribution Maint.	\$ 26,780.00
Asst. Town Marshal Annual Pay	\$ 4,000.00
Foreman Annual Pay	\$ 2,500.00

Section III – Longevity Compensation

Longevity compensation is a benefit to be paid, at the discretion of the Town Council to full time employees. It remains separate from the base salary amounts described in Sections I and II of this ordinance.

Each full time employee shall receive \$ 200.00/year for each year of continuous service. This longevity will be calculated on completed years of service and received in the following year. Beginning in the year 2002, a maximum of \$5,000.00 per year may be received by each employee with the exception of Tony Shaw, who is excepted to \$5,600.00.

The following longevity amounts shall be divided by the number of pays as listed in Section V of this ordinance and paid each two weeks from the listed funds in 2001 with the first pay date in January of 2002.

Office Manager – Margie Manship	\$5,000.00
Administrative Assistant – Marcie Stafford	\$ 600.00
Town Manager – Joe Neeb	\$ 200.00
Town Marshal – Mike Shepherd	\$ 200.00
Deputy Marshal – Alan Manship	\$4,200.00
Deputy Marshal – Gary Garner	\$3,400.00
Deputy Marshal – Mark Lyons	\$1,400.00
Deputy Marshal – Marsan Brewer	\$ 800.00
Deputy Marshal – Richard Willman	\$ 200.00
Deputy Marshal – Roger Miller	\$ 200.00
Plant Utilities Superintendent – Bob Lane	\$1,400.00
Plant Utilities Operator – Tony Shaw	\$5,600.00
Plant Utilities Operator – Roger Mohr	\$ 400.00
Street & Distribution Superintendent – Joe Renner	\$2,600.00
Street & Distribution Employee – David Thompson	\$1,400.00
Street & Distribution Employee – Sam Messer	\$1,000.00
Street & Distribution Employee – Chris Hartman	\$1,000.00
Street & Distribution Employee – Brian Scruggs	\$ 800.00

Section IV - Compensation (Hourly)

The following hourly rates may be paid. As needed, the Town Manager will set the number of pays and the funds to draw the compensation from, unless designated otherwise.

Park Superintendent	\$ 15.00 Paid from park budget
Asst. Park Superintendent	\$ 10.50 Paid from park budget
Park Employee	\$ 10.00 Paid from park budget
Laboratory Technician	\$ 12.00
Probationary Street Employee	\$ 12.00
Part-time, Temporary or Seasonal Employee	\$ 10.00
Part-time or Temporary Clerical support	\$ 10.00

Section V – Number of Pays and Funds

The following table shows which funds, the base salary and the longevity pays are to be taken from. It shows the position, the number of pays provided annually and the fund or utility which the pay comes out of.

Position	Number Of Pays	General Fund	MVH Fund	Water Utility	Sewer Utility	Park Fund
Town Council	2	1/4		1/4	1/2	
Clerk Treasurer	26	7		8	11	
Park Board	1					1
Town Attorney	4	4				
Town Manager	26	2	8	6	9	1
Office Manager	26	7		8	11	
Administrative Assistant	26	8		9	9	
Town Marshal	26	26				
Deputy Marshal w/academy	26	26				
Deputy Marshal wo/academy	26	26				
Plant Utilities Superintendent	26			10	16	
Plant Utilities Operator	26			13	13	
Street & Distribution Superintendent	26		8	9	9	
Street & Distribution Employee Certified	26		6	10	10	
Street & Distribution Employee Non-certified	26		12	7	7	
Park Superintendent	26					26
Park Employee	26					26
Volunteer Fire Administration Chief, Asst. Chief, Lieutenant	2	2				
Volunteer Fireman Compensation	2	\$7.00 per run				
Volunteer Fire Inspections	2	\$5.00 per inspect.				
Volunteer Fire Department Equipment Checks & Maintenance	2	\$100.00 per month				
Volunteer Fire Clothing allow. (ea)	2	\$125.00				
Volunteere Fire Car allow. (ea.)	2	\$125.00				

Section VI – Volunteer Fire Department

1. The Volunteer Fireman shall receive their pay per run in accordance with rules passed by the Town Council on December 10, 1997 at the rate set in Section V of this ordinance.
2. The following compensations shall be divided by the number of pays as listed on the table in Section V of this ordinance and paid according to that table.

Fire Chief	\$2,000.00
Assistant Chief (2)	\$500.00
Lieutenant (3)	\$250.00

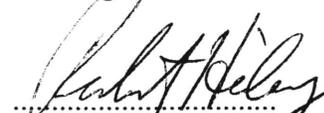
3. The Volunteer Firemen may receive additional pay per extra duty such as, but not limited to vehicle and building maintenance and building inspections. These additional expenditures must be authorized by the Fire Chief and the Town Manager and covered by the Fire Department budget approved by the Town Council.

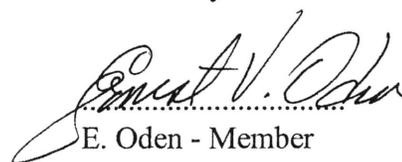
This Ordinance shall become effective January 1, 2002.

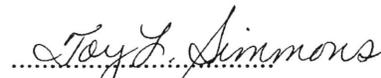
Dated this 20th day of December, 2001.

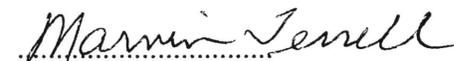
Attest:
M. Manship - Clerk/Treas.

Approved: 
P. Scrogam - President


R. Hiday - Member


E. Oden - Member


T. Simmons - Member


M. Terrell - Member

RESOLUTION # 2001-4A
A RESOLUTION ESTABLISHING POLICY FOR THE
MANAGEMENT, ADMINISTRATION
AND OPERATION OF THE
MUNICIPAL WATERWORKS
AND
MUNICIPAL SEWAGE WORKS
OF THE TOWN OF FORTVILLE

WHEREAS, the Town of Fortville, Indiana, (hereinafter referred to as "the Town") owns and operates a municipal waterworks and municipal sewage works (hereinafter referred to as "the Utilities"); and

WHEREAS, the Town desires to clarify the authority to manage, administer and operate the Utilities;

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FORTVILLE, INDIANA:

Section 1. The Town Council hereby retains full, complete, and absolute authority to manage, administer and operate the Town's Utilities;

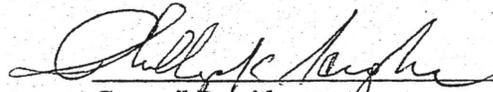
Section 2. The Town Council shall delegate the authority to manage, administer and operate the Town's Utilities to any employees of the Town as the Town Council may designate;

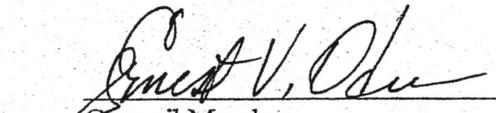
Section 3. The billing and collection of the funds received by the Town from the operation of the Utilities shall be performed by Town employees under the authority and supervision of the Town Manager or the Town Council;

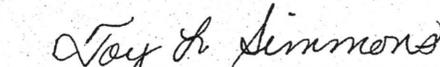
Section 4. If at any time, the Town Council designates the Clerk-Treasurer and any agents of the Clerk-Treasurer to handle the Billing and Collection of the funds, the annual salary ordinance shall show the distribution of salaries paid to the billing and collection of the municipal utilities, and to the regular Clerk-Treasurer duties;

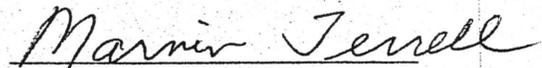
Section 5. The funds collected by the Town employee shall be delivered to the Clerk-Treasurer, to be deposited into the Town's proper utility accounts.

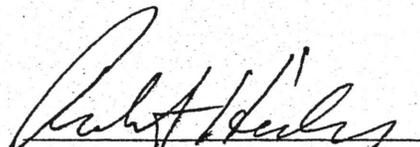
ALL OF WHICH IS RESOLVED THIS 22nd DAY OF MAY, 2001.


Council President


Council Member


Council Member


Council Member


Council Member

Attest: _____
Clerk-Treasurer