

PERRY COUNTY BOARD OF COMMISSIONERS
MINUTES –November 6, 2023

The Perry County Board of Commissioners met at 9:00 a.m., as was duly advertised. Commissioners: President Randy Cole (RC), Rebecca Thorn (RT), and Randy Kleaving were in attendance. Auditor Kristinia Hammack and Attorney Andrew Foster were also present. There was no *Sheriff* or *News Representative* in attendance.

The meeting opened with all present reciting the Pledge of Allegiance.

AGENDA

RK made a motion to approve the agenda, seconded by RT. Motion carried 3-0.

PUBLIC COMMENTS

- a) RT stated that Ann Kessinger, Manager of Rivers Edge Animal Shelter, was in a horrible accident with her two children Tuesday evening (10/31/23). They were flown to two different hospitals in Louisville and are now home. They suffered critical injuries and RT asked everyone to keep them in their thoughts and prayers.

ERIN EMERSON, PCDC DIRECTOR

- a) The Perry County Development Corporation (PCDC) Quarterly Update was presented to the Commissioners. The following areas were discussed:
- Attraction
 - Retention & Expansion
 - Talent Retention and Attraction
 - Workforce Development
 - Community Development
 - Entrepreneurship & Small Business Development
 - Regional Activities and Initiatives

MINUTES

- a) 10.02.2023

RT made a motion to accept, seconded by RC. Motion carried 3-0.

- b) 10.06.2023

RK made a motion to accept, seconded by RT. Motion carried 3-0.

- c) 10.17.2023

RT made a motion to accept, seconded by RK. Motion carried 3-0.

KRISTINIA HAMMACK, AUDITOR

- a) 10.23.2023 Payroll in the amount of \$162,853.33

RK made a motion to accept, seconded by RT. Motion carried 3-0.

- b) 11.06.2023 Payroll in the amount of \$165,528.57

RC made a motion to accept, seconded by RK. Motion carried 3-0.

- c) Health Insurance Claims: \$183,225.69

RK made a motion to accept, seconded by RT. Motion carried 3-0.

- d) Flex Spending Claims: \$36.79

Flex Spending is administered by Imagine 360 and they debit each week what employees spend out of it. Within the last few months, Auditor Hammack began reviewing this and discovered this is something that needs to be tracked by the County. A Flex Spending Account differs from a Health Savings Account in that if employees are set to deposit a certain dollar amount each pay period, the employee is able to spend the total amount for the year prior to it even being deposited in the account. If an employee spends the full year's amount and then leaves employment before the end of the year, then the County is at a loss due to not enough money was collected from the employee.

RT asked if this can be restructured? Auditor Hammack responded that she has restructured this.

Hammack stated the Flex Spending Account is maintained by the County. If you have a Health Savings Account, the employee owns it. Based on how the Flex Spending Account has been handled in the past, she did not see a check and balance on the County's side. With the way her office is now monitoring the Flex Spending Account, if someone leaves employment and has spent the full year's amount, the extra spent can be deducted from the employee's last paycheck.

RT would like to see the amount the county has been out from the inception of this plan offered by the County.

RC stated he does not see why the County would not go with a Health Savings Account and then the County is no longer involved; the county does not have to oversee it so it becomes an employee fund that they manage themselves. The County needs to ask the insurance provider what the real difference is and maybe this is something the County needs to change.

RK made a motion to accept, seconded by RT. Motion carried 3-0.

e) Dental Insurance Claims: \$78.78

RT made a motion to accept, seconded by RK. Motion carried 3-0.

f) Vision Insurance Claims: \$78.71

RK made a motion to accept, seconded by RT. Motion carried 3-0.

g) Life Insurance Claims: \$1,464.19

RK made a motion to accept, seconded by RT. Motion carried 3-0

h) Approval of 11.06.2023 Claim Docket: \$1,757,965.17

RC stated there are some accounts that are in the red that appropriations are needed. He cited from the State Board of Accounts "Appropriations are required before distributions may be made from any fund subject to the Budget Laws". Auditor Hammack asked if the accounts are negative or the fund? She reiterated that the Auditor's Office is making changes. The budget has categories of the accounts, 10,000, 20,000, 30,000. The State Board of Accounts state that your category you can run a subaccount negative as long as there are funds within the category. Hammack stated that if you look at a 10,000 category for example, and one of the funds in that category is negative, as long as the overall balance within that category is positive, it is allowed. She further stated she has spoken to the department heads and implementation of in-house transfers keep the books clean. Currently this is still in the transition period where the department heads are making the transfers before submitting a claim for the payment. The State Board of Accounts allows you to run your categories, or subaccount, negative as long as you have the money available within your category. She stated the transfers keep the books cleaner.

RT asked if there are limits, and Hammack replied no. Hammack stated you can not spend more than is in the category. RT asked who monitors this, and Hammack responded she does. RT would like to see copies of the transfers of how much and when. Hammack responded in-house transfers can be seen in LOW. In-house transfers do not have to be Council approved, as long as the transfer is going from a one to a one, a two to a two, a three to a three. Department heads have that control; they can move money within their category budget. Transfers from a one to a two, a two to a three, have to go before the Council.

RC again cited the State Board of Accounts "appropriations are required before distributions". He listed items on the claim docket where the account has a negative balance.

Hammack responded that she sent out an email to the Commissioners stating she would like to have any questions addressed prior to the meeting. She stated she needs time to review questions so that she is able to give correct information. She reiterated that the departments are transitioning to doing additional appropriations when they see an account is in the red. Line items have always been allowed to run in the red as long as the total budget in the category is positive. RK stated that it has always been done to allow a negative account balance within categories as long as the overall category is positive.

Attorney Foster stated he does not know what the law is but they might be anticipating that the appropriation is being made to the overall series. RC handed Attorney Foster the information from the State Board of Accounts stating the money has to be there before the money is spent. RC stated the County Council's job is to appropriate the money, and this appropriation needs to be done before the Commissioners sign a warrant to pay for it. He further asked if not, what is the purpose of the Council?

Hammack stated the reason for the transfer is to make the books cleaner. RC stated he is looking at the account balance, not the category. He further stated he does not control the transfers, he looked at accounts where payment is to be paid from and it is not appropriated. He stated he is not going to go through every claim to verify the account is not negative; it is not his job. His job is to make sure the County is following the law. Hammack stated as long as there is money in the category, they can spend it, unless the Commissioners write an ordinance to

tighten this where they can't spend it. RC asked Hammack how do you determine in LOW when looking up accounts that the category is positive? She responded to go to the Location Budget by Date Span, do not pull View by Account. When you go to the Location Budget by Date Span and select what fund you want to look at, do not divide all the accounts out. You will see the breakdown of each category balance.

RK stated once the transition period is over, RC would not have to pull up the accounts to determine if they are negative.

RC stated the Commissioners are the checks and balances to ensure the funds are appropriately allocated. He further stated the County invested \$400,000 in software for the purpose of this check and balance. LOW access was given approximately three months ago which allows Commissioners to look at balances to identify when accounts are negative. Hammack stated this is the exact reason she has asked department heads to do in-house transfers prior to submitting a claim. It makes the books look cleaner.

RC asked Hammack if he is supposed to ignore accounts he sees are in the red? Hammack responded he should ask her about the account and she will explain it. RK stated the bottom line is this has been done this way in the past and Hammack is transitioning to this new procedure.

Hammack will review the questioned claims and will advise the Commissioners that afternoon. RK would like to approve claims and give Hammack time to get her program in place, and then they will not have this discussion anymore. RT asked RK if he is saying to approve these claims, but the transition does not have a completion date? She is wanting a timeframe for completion.

RC asked Attorney Foster that his paper from the State Board of Accounts states appropriations are required before distribution? Foster stated the part about "subject to the Budget Law" he is unsure if the sub funds are subject to the Budget Law. He will have to check. He is not sure when the State Board of Accounts state the funds are appropriated, if this means the specific sub fund to the general or overall line item. For example, you appropriate \$10,000 and approve \$3,000 in a subaccount, but it is still less than the \$10,000 appropriated. Foster thinks you probably could but he has not looked at the specific administrative code for the State Board of Accounts, to see what part of that statute is applying to the sub funds and that overall line item.

RC stated the question becomes how do the Commissioners determine when it is an appropriation when the software leaves the appearance as though it is in excess of the appropriation? RT stated the claims do not show if it is a transfer or an appropriation. How would she know? Hammack stated the transfers have not yet been approved. They go to the County Council on the 16th. Those transfers are going from one category to another, so they have to be Council approved. RC stated the Commissioners are essentially approving payment before the Council approves the transfers. Attorney Foster stated these claims need to be approved with some contingency in the motion, otherwise what happens is the Commissioners approve claims and then they go to the Council who says it has already been approved by Commissioners, so they have to pay a bill. Hammack will begin submitting additional appropriations and transfers to the Commissioners. RC requested an explanation for claims sent prior to the meeting if an account is negative.

RK stated no one is doing anything wrong. This has been treated this way for years. There are new ideas on this process as to how to handle it.

RK made a motion to approve with exception of those that need Council action, seconded by RT. Motion carried 3-0.

STEVE HOWELL, HIGHWAY SUPERINTENDENT

- a) The Highway Department needs to get approval of the specs for bids on fuel and supplies. The fuel will be priced both ways. RC asked if it was beneficial this year by doing it that way, and Howell responded yes. RK mentioned to watch the prices closely due to prices are down right now. RC stated the County also needs to advertise gasoline prices. Hammack stated she will advertise the fuel with the diesel. Bids will be accepted until 4:00 p.m. on December 1st, and will be opened at 9:00 a.m. on the December 4th meeting.

RK made a motion to bid fuel and supplies, seconded by RT. Motion carried 3-0.

- b) Paving is completed for the year. Brushy Fork will be the first thing in the Spring. He has the signed contract from INDOT and it will be 2-3 weeks before we receive the money. RC asked when that will be bid, and Howell replied it will

be the first thing in the Spring, probably March. RC asked if Howell has all his approvals, and Howell replied yes.

Sycamore Road can also be done in the Spring. RK asked Howell if he could talk to the City of Tell City to do their section of Brushy Fork Road at the same time as the County? Howell stated they do not believe they will be able to do their section until 2025.

- c) Every year the Airport borrows the County's Patcher to fix cracks in the runway. They will be doing this again.

COMMISSIONERS

- a) Tara Lucas, Health Nurse Supervisor, stated effective July 1, 2023 there were some changes with their Health Board make-up. Typically, with counties who are fewer than 200,000 in population, there is a seven-person board and they are all historically Commissioner appointed. With the new changes that were effective July 1, 2023, two of the positions with one being a Council appointment and the other Commissioner appointment would have to be from a list of three recommendations from your largest, most populous city, which would be Mayor Cail.

The Health Board has a current opening that has been advertised for which the last day to send a letter of interest was Friday, November 3rd. The current opening on the Health Board is set to expire on December 31, 2023, and they have another person whose term expires on December 31st as well. At this time, the Commissioners can decide to make an appointment now or wait until January 1, 2024.

RK asked Attorney Foster if they make the one appointment now, if that term would go through December 31st and then continue until the next end of term. Attorney Foster stated he spoke with the Department of Health on when and how the County has to implement this. This change was made in July and the requirements to implement this all at once, or do you get in compliance as terms come up. Lucas stated she got clarification on this and was told as people fall off the board.

RC stated there are restrictions on people who can actually serve, and he is not sure how the Commissioners would ensure the City provides names of people who meet the requirements. Lucas stated there are no restrictions on the City's choice.

RC questioned the make-up of the Health Board, and Lucas stated at least five individuals are knowledgeable in clinical and public health; one appointee must be by a physician. Lucas hopes the Commissioners would consider those who are knowledgeable in public health or that hold a certification, certificates, or degrees that would help benefit their board.

RK stated the political party of the Board can not be more than four.

RC would like to go ahead and make an appointment to fill the position that was advertised. RT agreed to go ahead and make the appointment and RK agreed.

RT nominated Corey Filley. She stated he has an impressive resume, and was seconded by RC. Motion carried 3-0.

- b) RC has asked for a survey in regards to the BAT Mitigation. The County still owns underneath the road and needs sufficient ground to maintain the ditches. RC stated the corner of the BAT Mitigation goes pretty close to the road. He feels that portion needs to stay in the county's name so it can be taken care of.

Tabled.

- c) Board Appointments with terms ending December 31, 2023 will be put out and made at the first meeting in January, 2024.

The meeting was adjourned at 10:50 a.m. CST.

RK made a motion to accept, seconded by RC. Motion carried 3-0.

The next meeting of the Board of Commissioners will be held on Tuesday, November 21, 2023, at 5:00 p.m.

Randy Cole
President

Rebecca Thorn
Vice-President

Randy Kleaving

*Minutes prepared by:
Kristinia L. Hammack, Auditor*