

INCOME TAX BOARD

City of Findlay

August 24, 2016

MINUTES

ATTENDANCE

Members Present: Mayor Lydia L. Mihalik, Don Rasmussen, Susan Hite, Jim Staschiak II, Ron Monday.

Staff Present: Andrew Thomas and Kathy Launder.

Guests Present: Holly Frische, City Council; Jeff Wobser, City Council; Max Filby, The Courier.

NEW BUSINESS

Budget Transfer Resolution: Thomas stated that during the budget process for the 2016 year, it was stated that he would like to consider hiring full time City employees rather than having staff from an employment agency. At the time there were three staff members contracted through Accountemps. Thomas budgeted funds in the salaries and benefits to accommodate full time employees with the intention that if full time employees were not hired and contracted staff were retained that these funds would be transferred to Clerical Services to pay for contracted staff members. Thomas stated that full time employees have not been hired and that contracted staff members have been retained from January 2016 through current day. Thomas stated that internal budget transfers were made from Refunds to Clerical Services from the beginning of 2016 until now to pay for the contracted staff services. Mayor Mihalik wrote a letter to Council requesting a Resolution of Transfer of \$155,000 from Personnel Services to Other. This request is to replenish the funds that were transferred from Refunds into Clerical Services to pay for contracted staff.

Staschiak stated that he thought the purpose for temps were for during the busy tax season rather than year around. He stated that we need to protect the integrity of the department. Thomas stated that we would be dealing with the same issue of integrity if full time employees were hired. Wobser asked why we don't take the current contracted staff and hire them as full time employees. Have we left the door open to bring them on as City employees? Staschiak stated that he was led to believe we would hire full time employees in 2016. Frische asked if there are new contracted staff members every year. Thomas stated it varies. This staff has been in place since September and November of 2015.

Staschiak stated that he is seeing a conflict. What insurances does the City have that the information is protected? Thomas stated that we treat contracted staff the same as full time City staff. Both classifications of staff are required to maintain the confidentiality of the information they process. Staschiak asked how does Thomas know if the information is compromised. Rasmussen asked Staschiak how do we know if a City employee compromises the information. Staschiak asked Thomas how many temps has he been through. How do you know they haven't compromised information. Need to have more authority. Thomas stated that he has contracted staff not temps. Staschiak refers to them as temps. If they compromise the information what can we do. Thomas stated that we handle it the same way we handle if a City employee compromised the information. Staschiak stated if a former temp compromises information, what do we do. Rasmussen stated that contracted staff sign a confidentiality agreement. We enforce it if there is a compromise. We do not go after the company. The individual signs the agreement, not the company. The individual is responsible for any penalties if a judgement is awarded. Staschiak asked what type of judgement? What penalty? What value is placed on the damages to the Income Tax Department? Do we have more protection with a full time City employee rather than temps through an employment agency? Thomas stated that he believes the

penalty is a misdemeanor or felony. Rasmussen stated that a full time City employee could compromise the information just like a contracted employee hired through an employment agency. Staschiak stated that he hopes they do not. Rasmussen asked Staschiak how do you know if someone gossips about someone.

Councilman Monday asked what was this meeting called for. It was called to review the budget. Motion by Councilman Monday to adjourn. Discussion ensued. Councilman Monday withdrew his motion.

Staschiak stated the budgetary issue is do we transfer money to hire temps or do we hire full time employees. Mayor Mihalik stated that Thomas is managing his department like any other department head. It is unfair for Staschiak to make these comments about the contracted staff. The decision to hire contracted staff was due to budget concerns during the downturn in the economy when staff was cut across City departments. Mayor Mihalik asked Staschiak how many people on his staff did he lose during the downturn of the economy. Staschiak stated that he adjusted numbers in his budget. Hite stated he lost none.

Mihalik stated Thomas decided the way to best operate his department at the time was to hire contracted staff in order to efficiently run his department with the budget available for staff. Adjustments were made. All staff, contracted or full time, in the Income Tax Department are responsible for protecting the integrity of the information they receive. The difference in cost of a full time employee vs. a contracted staff person is significant.

Motion by Staschiak to deny request to transfer funds and start the process of hiring full time employee as told us during budget process. Hite seconded.

Discussion: Rasmussen stated that the transfer is still needed due to making up for the contracted employees that have already been in place since the first of the year. Thomas stated that we had posted the positions with the Human Resources Department at the beginning of the year, but have not been able to fill these positions. Monday stated that he is not totally disagreeing with the Auditor regarding hiring full time employees rather than contracted staff, but it is a conversation for the 2017 budget process. The money has already been spent. Thomas stated that this a transfer within his department budget. Staschiak asked if Thomas overspent. Thomas stated that he did not look that closely. The transfer is to recoup the money that was transferred from Refunds into Clerical Services and for projected expense through the end of the year for contracted staff. Thomas stated that he did not promise Council that he would hire full time City employees. It was only a suggestion of what he was thinking of doing. Staschiak stated that it was inferred that Thomas would hire full time City employees. Thomas stated that attempts were made to hire full time City employees. Mayor Mihalik stated that the positions were posted on the website. Struggling to find applicants to hire. The contract staff have been doing a good job. You cannot say that we have compromised information.

Staschiak asked why we haven't hired current temp staff? Thomas stated that he cannot discuss personnel matters in a public meeting.

Staschiak asked looking as a whole, are we spending more or less for temp staff than full time staff? Thomas stated the cost is significantly less for contracted staff. Wobser stated that paying less for the contracted staff is good. In the agreement with the employment agency, can you get rid of an employee immediately if needed vs. a full time City employee which could take longer. Staschiak asked if there is value spending money on benefits vs. risks of temp program.

Thomas stated that the transfer is still needed even if we would hire a full time employee today. Thomas stated that the question of risk weighs on him every day whether it be contracted staff or full time employees. Staschiak asked what the actual cost is rather than the estimate of \$155,000. How

much was actually spent? Thomas stated that he has not overspent. Staschiak asked how much is left unspent. How much more do you need through 2016. Mayor Mihalik stated that we have already been making transfers into Clerical Services from Refunds. Staschiak wants a full projection. Thomas stated that he is not over budget with contracted staff.

Staschiak asked if this board would rather spend on full time employee or temps. Wobser asked if we are we in arrears to employment company or not. Trying to move \$155,000. Would like a better understanding of what has already been paid and better estimate of how much more is needed for 2016. Mayor Mihalik stated that the money is already budgeted for purpose of providing staff. Wobser stated that Thomas has control of his department and he is not worried. He is more concerned about getting the numbers right for the amount of the transfer needed.

Thomas stated that the transfer request of \$155,000 will cover the fees for the contracted staff for what has already been spent and what is expected to be spent through the end of the year. If a full time employee(s) is hired, he may have to come back to request a transfer back to Salaries, reversing this request. Thomas stated the decision to hire contracted staff rather than full time staff came after 2007. Initially hired for temporary help during tax season and expanded to full year. Thomas stated that there are plusses and minuses to using contracted staff.

Staschiak stated that he is fine with the temps. He is just concerned about the \$155,000 transfer and wants to understand why. Hite asked if historically do you start at a beginning wage and stop at a certain wage? Do you anticipate changing temp staff? Thomas stated that he hires contracted staff with the intent for long term service. He does not rotate staff for the purpose of rotating staff. During tax season he hires one additional contracted staff person. This is strictly for the tax season only.

Frische has the same concerns as Staschiak and Wobser. She asked if we had to move this money last year. Thomas stated that the money budgeted in Clerical Services last year was for contracted staff and the money that was budgeted in Salaries was for the two full time employees in the Income Tax Department. Staschiak stated that the amount for 2016 is 20% higher than 2015. What has changed that it is more than last year. Thomas stated that if there is money left over, he does not intend to spend it. He does not intend on hiring additional contracted staff and does not intend on changing current hours of contracted staff. He included a buffer in the \$155,000 transfer request so that he does not have to come back to Council to request an additional transfer.

Frische asked if Thomas is planning on reposting the job posting. What happens if you hire a full time employee? Thomas stated that it is possible that he will repost the job. The possibility does exist that if a full time employee is hired that a request to move the money will be made. Frische asked if we could wait to approve this transfer. Mayor Mihalik stated that the request for the transfer would not have been made if it was not needed now. Thomas also stated that the Refunds line where the funds were temporarily transferred from for Clerical Services needs to be replenished. Staschiak asked that Thomas come back with a number that is tighter. Rasmussen stated that we need to move forward. We don't need to have another meeting. Mayor Mihalik stated that it is not our intent to hire full time employees by the end of the year for the Income Tax Department. Frische asked for Thomas to give a better, clearer dollar amount that is needed. Thomas stated that if we do not hire full time employees this year the \$155,000 is a good number. Frische wants an exact dollar amount of what is needed.

Staschiak stated that he withdraws his motion.

Thomas stated that the number he provided is a good number based on what has already been spent and what is anticipated to be spent on contracted staff for the remainder of the year. Staschiak stated that it is almost \$30,000 more than last year.

Monday asked if during next year's budget process are we considering hiring full time employees, if qualified candidates exists, or are we considering continuing with an employment agency. Thomas stated that we are still considering hiring full time employees.

Monday asked how the integrity of a person goes away whether they are temporary or full time employee? Staschiak stated that these matters should be brought before the Income Tax Board. Integrity of the department with temps or full time staff. Need to think about succession planning. Mayor Mihalik stated that a lot of effort has been going into succession planning to ensure the continuation of excellence in the Income Tax Department. The Income Tax Administrator is an appointment by the Mayor and confirmed by Council. We are still using the budgeted dollars on wages for staff services.

Being no further business, the meeting adjourned.

Respectfully submitted,

Kathy K. Launder
City Clerk