

**Winona Lake Town Council
Meeting Minutes
October 10, 2023**

The Town Council of Winona Lake, Indiana, met in a regular session on Tuesday, October 10, 2023, at 6:00 p.m. – some attending in person, others by Zoom (video conference).

COUNCIL MEMBERS PRESENT: Rick Swaim, Heather James, Austin Reynolds, Ashley McGinnis, and Jim Lancaster

COUNCIL MEMBERS PRESENT (ZOOM):

ABSENT:

OTHERS PRESENT: Craig Allebach, Kevin Gelbaugh, and Holly Hummitch,

OTHERS PRESENT (ZOOM):

Opening – Rick Swaim opened the meeting with prayer and the Pledge of Allegiance.

Resignation of Clerk-Treasurer

- Before we started the budget review and public hearing, clerk-treasurer Laurie Renier wanted to make a presentation.
- Laurie read her resignation letter as follows:
 - Please accept this letter as notice of my resignation from my position as Clerk Treasurer of the Town of Winona Lake. I made a commitment to stay during the audit, as I was the only remaining employee that was here during the audit period from 2019 through 2022. I have been informed that the audit is nowhere near completion, but the auditors have reached a substantial completion of the on-site portion of the auditing procedures. I have therefore fulfilled my obligation by being present and providing them with the documentation they requested. This resignation will take effect immediately.
- Laurie then read a statement as follows:
 - I understand this is a budget hearing and not a regular meeting, but I want to make an announcement before you get started.

As you know, I have forwarded all the budget information for 2024 that I have received to Craig and Heather James to work on the 2024 budget. Bake Tilly helped with the budgets and presented the budget to the town council for the last several years. Craig and the former chief deputy had previously worked on the budgets with the clerk. I did not feel my input would be of much benefit. I realize that was misinterpreted as an unwillingness to participate.

My service to the community as clerk treasurer began shortly after the loss of Kent Adams. I had known Kent for many years before he asked me to come to work for him in the town.

Accepting the responsibility for the job myself was bittersweet but I navigated through the first year with the team Kent had put in place and trusted. The council, town manager and other departments all supported me as I learned my new role. It was by no means an easy

first year because I was not only new to the job, but the town also purchased the Miller Sunset Pavilion and began the process of making it operational. This was a huge challenge, but we got through the first season without any real plans for how we would pay for such an enormous obligation since the donations we were counting on were not sufficient to support the new rink. I had not been included in any of the planning or preparation of the rink. I had a ton of questions, and I feel like it was when I started asking questions that the support of me as the fiscal officer for the town drastically changed.

And when the chief deputy, that had taken care of all the financial responsibilities while Kent was in office and had stayed in the same position when I took office, quite abruptly, the council did not hesitate to call me out at every public meeting for all the things I didn't know. The utility clerk of many years was retiring, and I had a new employee who was just learning that job. I then hired two more employees and the four of us learned all the functions of the office without any SOPs or instruction manuals.

We had no choice but to reach out for help. We worked with our software company on claims and payroll. The person who had just retired helped with utilities. We received training from other town clerks and spent countless hours researching and teaching ourselves how to do our jobs. As we received the help we asked for, it quickly became clear there was not much in the office being done correctly. At every turn, we not only needed to learn how to do things the right way, but we had to find a way to correct what was wrong.

Some of the issues we found in the beginning were:

- Fund numbers were not set up or coded correctly.
- The budget was insufficient.
- Budget not established for the ice rink.
- Eleven bank accounts, only two are accounted for in our software.
- Claims had been paid inconsistently.
- Some bills paid late and incurred late fees.
- Invoices had not been submitted properly.
- The utility software did not identify where to apply payments.
- The payroll program had never been set up to function correctly.
- Some employees insured had never paid their portion of insurance premium.
- Grant money was inappropriately managed.
- Copies of grant paperwork and other employment files were not accessible.
- Grant agencies were calling about reimbursement for non-compliance.

These are all significant problems that we found.

As I have already said, I shared my concerns with the council clear back in February but the State Board of Account's recommendation of how to go forward was ignored. Funding I needed to help resolve some of the issues was denied, and not a bit of grace was shown to me as I worked through the many issues. I was treated as if no one on the council knew the situation and I was publicly accused of incompetence and an unwillingness to do my job. The council even called an executive session to reprimand me as an employee in February,

which is not permissible under the law, since I am elected to serve on the same level as each council member.

It was for that reason I hired an attorney, which is statutorily allowed and has been confirmed as an allowable expense by the state's compliance director. The council's refusal to pay my attorney fees and their assurance that they would not provide any additional services or support hindered my ability to effectively manage the town's finances.

Under these circumstances, I was prepared to resign earlier in the year but then the State Board of Accounts contacted me and said they would be starting an audit in May I made a commitment to stay until the audit was complete because I was the only remaining employee that was here during the audit period from 2019 through 2022.

I have been informed that the audit is still nowhere near completion, but the auditors have reached the substantial completion of the on-site portion of the auditing procedures. I have therefore fulfilled my obligation by being present and providing them with the documentation they requested.

The lack of support and the hostility toward myself and my staff has carried over to other departments, town residents and the media. This has made it nearly impossible to serve the community as it deserves to be served, my obligation under these circumstances has been a strain on myself, my staff, and our families for far too long. This, along with the last email from the council, arguing with the State Board of Accounts and using just part of a statement I made as an excuse for their disregard for the law, is what has led me to my decision to resign. Resigning for these reasons is extremely disconcerting, but given the circumstances, I do not feel I have much of a choice. My resignation is effective immediately.

Laurie then gave a copy of her resignation letter and statement to Rick and left the meeting.

Deputy clerk-treasurer Teena Pence then stood up and stated that mine too, just for the record and walked out of the meeting.

Utility clerk Cindy Justice also stood up and said her also and walked out of the meeting.

2024 Budget Review and Public Hearing

- Rick stated that we came here for a budget hearing and budget review, and public hearing. Rick then opened the meeting for any public input on the budget.
- Kristi Maiers came forward and had two questions. One question was whether this was the same budget from 2023 that has been presented this evening, with the understanding that the council planned in January making adjustments? Rick stated that they would make appropriations as they need to.

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- Ashley stated that she had compared the 2024 budget to the 2023 budget, and this is just rolling over the budget for the time being and that was her understanding. This needs to be done because the bank reconciliations are not done. Craig stated that this was correct. We will have until October 31 to get the first six months bank reconciliations done and if that's the case, we would gain another \$57,000.00 in levy. If that is not done, then it will remain as it is, just as Kristi said. The 2024 budget is the same as the 2023 budget except for items that are not property tax supported. There were monies budgeting for redevelopment general and opioid settlement monies. There differences are in 2430 Redevelopment General, 9502-9503 Opioid Settlement. If there are any additional monies needed in 2024 and obviously there will be because some of the departments that have, we have met with have some needs and we'll take it day by day once we get there.
- Rick asked if there were any other comments. There was not so Rick closed the hearing and meeting.

Meeting adjourned – Jim motioned to adjourn. Austin seconded. Motion passed. Meeting adjourned at 6:14 p.m.

RICK SWAIM
PRESIDENT

CLERK TREASURER