

REVISED AGENDA

BAY COUNTY BOARD OF COMMISSIONERS

TUESDAY, DECEMBER 17, 2013

4:15 P.M.

(or immediately following Personnel/Human Services Committee meeting)

FOURTH FLOOR, BAY COUNTY BUILDING

Page No.

- I CALL TO ORDER
- II ROLL CALL
- III INVOCATION
- IV PLEDGE OF ALLEGIANCE
- V CITIZEN INPUT (4:15 P.M.)
- VI ITEMS FOR CONSIDERATION

A. Resolutions:

- 1- 3 1. No. 2013-251(Revised) - Ratification of Collective Bargaining Agreements
- 4 2. No. 2013-252 - Fair Board Lease 2014 Lease Extension/ Approval for Various Events at the Bay County Fairgrounds in 2014
- 5 3. No. 2013-253 - Vacancies: Personnel Dept., Buildings and Grounds; Information Systems; Health Department
- 6 4. No. 2013-254 - Independent Contractor Agreement - Tammy J. Hill, Nurse Practitioner (Health Dept.)
- 7-17 5. No. 2013-255 - Budget Adjustment - Potential FICA Penalty
- 18-22 6. No. 2013-256 - Marine Corps League - Mid Winter Conference - \$1,000 Appropriation
- 23-24 7. No. 2013-257 - \$96,000 Appropriation from Fund Balance to Cover Housing/Medical Expenses/Overtime for Two Inmates

VII UNFINISHED BUSINESS

VIII NEW BUSINESS

IX MISCELLANEOUS

X ANNOUNCEMENTS

XI CLOSED SESSION

XII RECESS/ADJOURNMENT

BAY COUNTY BOARD OF COMMISSIONERS

12/17/13

RESOLUTION

BY: BAY COUNTY BOARD OF COMMISSIONERS (12/17/13)
 WHEREAS, Bay County has 12 active bargaining units and the Personnel Director has been in negotiations with these units since April 4, 2013; and
 WHEREAS, As a result of those negotiations, the following units have ratified their agreements in accordance with the template agreement reviewed in closed door sessions:

1. Steelworkers Full Time Unit
2. BCAMPS
3. District Court
4. Circuit Court
5. Sheriff's Command Unit
6. 911
7. Probate Court
8. Correctional Facilities Officers
9. Nurses

WHEREAS, The following units have not reached tentative agreements as of 12/12/13:

1. Sheriff's Deputies
2. USW Part Time Unit (ratification vote scheduled for 12/18/13)
3. Teamster CFO Part-time Unit

RESOLVED That the Bay County Board of Commissioners approves the Labor Agreements for the period 2014 - 2016 for those units who have ratified Agreements (Steelworkers Full Time Unit, BCAMPS, District Court, Circuit Court, Sheriff's Command Unit, 911, Probate Court, Correctional Facilities Officers and Nurses) and authorizes the Chairman of the Board to execute said Agreements on behalf of Bay County; Be It Further

RESOLVED That the Chairman of the Board is authorized to execute the 2014-2016 Labor Agreement of the USW Part Time Unit if ratified 12/18/13; Be It Further

RESOLVED That the Chairman of the Board is authorized to execute the 2014-2016 Labor Agreement of the two units that have not yet ratified their agreements between this date (12/17/13) and December 31, 2013, if ratification occurs between now and that time; Be It Finally

RESOLVED That the Personnel Director is hereby authorized to apply the provisions of PA 152 (2011) and PA 54 (2011) to any units that have not ratified their Agreements by 4:00 p.m. December 31, 2013.

ERNIE KRYGIER, CHAIR
 AND BOARD

Personnel - 2014-2016 Labor Agreements

MOVED BY COMM. _____

SUPPORTED BY COMM. _____

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
BRANDON KRAUSE				KIM J. COONAN				MICHAEL E. LUTZ			
ERNIE KRYGIER				THOMAS M. HEREK							
VAUGHN J. BEGICK				DONALD J. TILLEY							

VOTE TOTALS:
 ROLL CALL: YEAS _____ NAYS _____ EXCUSED _____
 VOICE: YEAS _____ NAYS _____ EXCUSED _____

DISPOSITION: ADOPTED _____ DEFEATED _____ WITHDRAWN _____
 AMENDED _____ CORRECTED _____ REFERRED _____

- / -



**BAY COUNTY
PERSONNEL DEPARTMENT**

Tim Quinn, Director
quinnt@baycounty.net
(989) 895-4098 (T)
(989) 895-2076 (F)

Thomas L. Hickner
County Executive

Tiffany Jerry, Payroll/Benefits Super.
jerryt@baycounty.net
(989) 895-4032 (T)
(989) 895-4039 (F)

Retirement Adm./Acct.
(989) 895-4043 (T)
(989) 895-4113 (F)

December 17, 2013

Rebecca Smutek, Payroll Clerk
smutekr@baycounty.net
(989) 895-4044 (T)
(989) 895-4039 (F)

To: Ernie Krygier, Chairperson Bay County Board of Commissioners

From: Tim Quinn, Director of Personnel and Employee Relations *fer*

Re: Ratification of Collective Bargaining Agreements

Background

The County has 12 active bargaining units and I have been conducting negotiations with those units since April 4, 2013.

The following units have been ratified their agreements in accordance with the template agreement reviewed in closed-door sessions:

1. Steelworkers Full Time Unit
2. BCAMPS
3. District Court
4. Circuit Court
5. Sheriff's Command Unit
6. 911
7. Probate
8. Correctional Facilities Officers
9. Nurses

The following unit has reached tentative agreement, but as of the date of this letter have not provided notification of ratification:

1. USW – Part-Time (vote scheduled for 12-18-2013)

The following units have not reached tentative agreements as of the date of this letter.

1. Sheriff's Deputies
2. Teamster CFO Part-time unit

Recommendation:

Authorize the Board Chairperson to sign the agreements of the ratified agreements. Authorize the Chairman to sign agreements of any of the two units which have not yet ratified their agreements between now December 31, 2013, if ratification occurs between now and that time. Authorize the Personnel Director to apply the provisions of PA 152 (2011) and PA 54 (2011) to any units not ratified by December 31, 2013 at 4 pm.

Revised 12-17-2013

BAY COUNTY BOARD OF COMMISSIONERS

12/17/13

RESOLUTION

BY: PERSONNEL/HUMAN SERVICES COMMITTEE (12/17/13)
 WHEREAS, The Bay County Fair Board is desirous of extending their current lease for the Bay County Fairgrounds and utilizing the Fairgrounds on several dates for various events including the Bay County Fair scheduled for July 27 - August 16 which includes one week prior and one week after the Fair; and
 WHEREAS, The following dates are requested:

Grandstands, Race Track, Bathrooms & Grounds

May 17 - Figure 8 Race
 June 21 - Figure 8 race
 July 12 - Bump & Grind Race
 September 27 - Figure 8 Race
 October 25 - Figure 8 Race

Horse Riding Arenas, Horse Barn, Camping, Bathrooms & Showers

June 6, 7, & 8
 July 18, 19, & 20

Canteen Building

Saturday, March 29 — Tack Sale
 Friday, August 1 through Sunday, August 10 — Bay County Fair — still exhibits

**Livestock Barn, Horse Barn, Camping, Bathrooms & Showers Grounds
 Horse Arenas Grandstands and Race Track**

July 27 — August 16 for The Bay County Fair & Youth Exposition — one week prior and one week after the event.

RESOLVED By the Bay County Board of Commissioners approves extension of the Lease with the Bay County Fair Board for 2014; Be It Further

RESOLVED That the Bay County Fair Board is granted use of the Bay County Fairgrounds for the dates outlined above contingent upon compliance with all requirements outlined in the Fair Board lease including provision of required financial reports.

BRANDON KRAUSE, CHAIR
 AND COMMITTEE

Fair Board - Fair Grounds for 2014 Fair
 MOVED BY COMM. _____

SUPPORTED BY COMM.

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
BRANDON KRAUSE				KIM J. COONAN				MICHAEL E. LUTZ			
ERNIE KRYGIER				THOMAS M. HEREK							
VAUGHN J. BEGICK				DONALD J. TILLEY							

VOTE TOTALS:
 ROLL CALL: YEAS _____ NAYS _____ EXCUSED _____
 VOICE: YEAS _____ NAYS _____ EXCUSED _____

DISPOSITION: ADOPTED _____ DEFEATED _____ WITHDRAWN _____
 AMENDED _____ CORRECTED _____ REFERRED _____

-4-

BAY COUNTY BOARD OF COMMISSIONERS

12/17/13

RESOLUTION

BY: PERSONNEL/HUMAN SERVICES COMMITTEE (12/17/13)

RESOLVED By the Bay County Board of Commissioners that concurrence is given to post/advertise/fill the following full time/part time/temporary/seasonal or co-op positions/vacancies/new positions, monies for said positions to come from the respective departmental budgets:

VACANCIES:

- a. Personnel Department - Typist Clerk II (pt, \$10.53/hr entry)
- b. Buildings and Grounds
 - 1. Mechanical Contractor/Maintenance Worker (ft, \$17.45/hr. entry)
 - 2. Lead Equipment Operator/Fabricator (ft, \$15.81/hr. entry)
- c. Information Systems - PC Technician (ft, \$17.45/hr. entry)
- d. Health Department - Community Health Educator (ft, \$17.92/hr. entry)

RESOLVED That budget adjustments, if required, are approved.

RESOLVED That it is clearly understood that any positions funded through a grant shall be terminated or hours reduced if grant funding is terminated or reduced.

BRANDON KRAUSE, CHAIR
AND COMMITTEE

Vacancies - December 17, 2013

MOVED BY COMM. _____

SUPPORTED BY COMM. _____

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
BRANDON KRAUSE				KIM J. COONAN				MICHAEL E. LUTZ			
ERNIE KRYGIER				THOMAS M. HEREK							
VAUGHN J. BEGICK				DONALD J. TILLEY							

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VOICE: YEAS _____ NAYS _____ EXCUSED _____

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BAY COUNTY BOARD OF COMMISSIONERS

12/17/13

RESOLUTION

BY: PERSONNEL/HUMAN SERVICES COMMITTEE (12/17/13)

WHEREAS, In November, the Bay County Board of Commissioners authorized a contractual arrangement with Sue Montei, RN NP, until a suitable replacement was secured and while Ms. Montei has continued her services, she has substantially cut back her hours; and

WHEREAS, The search for a qualified replacement continues; and

WHEREAS, After careful review and consideration, it is recommended that Bay County (Health Department) enter into a contract with Tammy J. Hill RN MSN NP BC, who is a Nurse Practitioner and instructor at Saginaw Valley State University and has considerable experience in women's health; and

WHEREAS, The contractual arrangement will provide for payment of fees (\$55/hour) and funding for the Nurse Practitioner Services has been budgeted for 2013 and 2014 and can be utilized to pay all fees associated with the Independent Contractor Agreement; Therefore, Be It

RESOLVED That the Bay County Board of Commissioners approves the Independent Contractor Agreement with Tammy J. Hill, RN MSN NP BC and authorizes the Chairman of the Board to execute said Agreement on behalf of Bay County (Health Department) following legal review/approval; Be It Further

RESOLVED That required related budget adjustments are approved.

BRANDON KRAUSE, CHAIR
AND COMMITTEE

Health Dept - Independent Contractor Agreement - Tammy Hill, Nurse Practitioner

MOVED BY COMM. _____

SUPPORTED BY COMM. _____

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
BRANDON KRAUSE				KIM J. COONAN				MICHAEL E. LUTZ			
ERNIE KRYGIER				THOMAS M. HEREK							
VAUGHN J. BEGICK				DONALD J. TILLEY							

VOTE TOTALS:

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DISPOSITION: ADOPTED _____ DEFEATED _____ WITHDRAWN _____
AMENDED _____ CORRECTED _____ REFERRED _____

BAY COUNTY BOARD OF COMMISSIONERS

12/17/13

RESOLUTION

- BY: BAY COUNTY BOARD OF COMMISSIONERS (12/17/13)
- WHEREAS, In late 2012, Congress was in a deadlock over the Federal Budget and did not resolve it until the end of the year in the "fiscal cliff" showdown; and
- WHEREAS, One of the items which was resolved was to remove the "temporary" cut in FICA contributions which effectively raised the employee's rate of contribution from 4.2% to 6.2%, the "normal" rate; and
- WHEREAS, The Payroll Department made inquiries repeatedly about this to the IRS, but no direction was received until 12/31/2012, however, Bay County's payroll at the end of the year spans two years, as it usually does based on payrolls covering two-week periods ending on Sundays and Bay County was unable to adjust the first roll; and
- WHEREAS, The Payroll Department made adjustments on January 2, 2013 in the Munis System to reflect the new rate of 6.2% for the next payroll period and all monies were withheld from employee payroll checks and employer taxes were paid at the scheduled time, however, the adjustment for the partial roll in the beginning of 2013 did not occur; and
- WHEREAS, When the records were reconciled after the end of the first quarter, it was discovered that the first payroll had not been adjusted and the IRS was contacted for guidance on how to record the wages paid on January 4, 2013. The IRS agent Bay County was working with was unable to assist and it was decided to immediately pay the 2% shortage and withhold on the following payroll. A letter was included with the first quarter 941 sent to the IRS providing explanation and that document confirmed that a payment was made on April 19, 2013 (the due date was March 31, 2013, the end of the first quarter); and
- WHEREAS, Bay County's software vendor was contacted on April 18, 2013 to ascertain the cause and to take corrective action; and
- WHEREAS, On December 4, 2013 notice of a fine totaling \$27,918.86 (over and above the original shortage of \$14,000) was received and payment was demanded by 12/9/2013 (neither the form nor the IRS agent articulated how the penalty was computed); and
- WHEREAS, On December 5, 2013, the Payroll Department responded to the IRS demand for payment questioning if an additional penalty would be incurred for not paying this fine. Bay County was advised, orally, that it would be on hold for up to 30 days until IRS acknowledged receipt of Bay County's letter and then an additional 30 days while the IRS made a determination; and

WHEREAS, Several factors should mitigate Bay County's liability in this matter, i.e. late notification of rates from the IRS; verbiage on the IRS website acknowledged that adjustments would take time; this was not a willful violation and upon discovery during the on time quarterly 941 reconciliation, the 2% shortage was immediately paid; and that the \$27,918.86 fine (over and above the \$14,000 shortage) for being about three weeks late seems exorbitant; and

WHEREAS, While doubtful this will be resolved in 2013, pursuant to generally accepted accounting practice, a budget adjustment should be processed to account for the potential liability in 2013; Therefore, Be It

RESOLVED That the Bay County Board of Commissioners approves a budget adjustment in the amount of \$27,918.86, monies to come from Fund Balance, to cover the potential liability in 2013 in the event Bay County is not successful in its appeal of the IRS ruling.

ERNIE KRYGIER, CHAIR
AND BOARD

Payroll - FICA Penalty

MOVED BY COMM. _____

SUPPORTED BY COMM. _____

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
BRANDON KRAUSE				KIM J. COONAN				MICHAEL E. LUTZ			
ERNIE KRYGIER				THOMAS M. HEREK							
VAUGHN J. BEGICK				DONALD J. TILLEY							

VOTE TOTALS:

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VOICE: YEAS _____ NAYS _____ EXCUSED _____

DISPOSITION: ADOPTED _____ DEFEATED _____ WITHDRAWN _____
AMENDED _____ CORRECTED _____ REFERRED _____



**BAY COUNTY
PERSONNEL DEPARTMENT**

Tim Quinn, Director
quinnt@baycounty.net
(989) 895-4098 (T)
(989) 895-2076 (F)

Thomas L. Hickner
County Executive

Tiffany Jerry, Payroll/Benefits Super.
jerryt@baycounty.net
(989) 895-4032 (T)
(989) 895-4039 (F)

Retirement Adm./Acct.
(989) 895-4043 (T)
(989) 895-4113 (F)

December 17, 2013

To: Ernie Krygier, Chairperson, Bay County Board of Commissioners

Rebecca Smutek, Payroll Clerk
smutekr@baycounty.net
(989) 895-4044 (T)
(989) 895-4039 (F)

From: Tim Quinn, Director of Personnel and Employee Relations 

Re: Requested Budget Adjustment 2013

Request

Board approval to do a budget adjustment for potential liability for FICA penalty.

Background

In late 2012, Congress was in a deadlock over the Federal Budget and did not resolve it until the end of the year in the "fiscal cliff" showdown. One of the items which was resolved was to remove the "temporary" cut in FICA contributions which effectively raised the employee's rate of contribution for 4.2% to 6.2%, the "normal" rate. The Payroll Department made inquiries repeatedly about this to the IRS, but no direction was received until 12-31-2012. However, our payroll at the end of the year spans two years, as it usually does based on payrolls covering two-week periods ending on Sundays. Therefore, we were not able to adjust the first roll.

Payroll made adjustments on January 2, 2013 in the Munis system to reflect the new rate of 6.2% for the next payroll period. All monies withheld from employee payroll checks and employer taxes were paid at the scheduled time. However, the adjustment for the partial roll in the beginning of 2013 did not occur.

When the records were reconciled after the end of the first quarter, it was discovered that the first payroll had not been adjusted, the Payroll department contacted the IRS and spoke with Agent ID# 1880838 on April 19, 2013 and requested guidance on how to record the wages paid on January 4, 2013. The agent was unable to assist; therefore, the decision was made to immediately pay the 2% shortage and withhold on the following payroll. A letter was included with the first quarter 941 sent to the IRS explaining this (see attached letter to the Department of Treasury "A."). That document confirmed that a payment was made on April 19, 2013 (the due date was March 31, 2013, the end of the first quarter).

Additionally, an inquiry was made of our software vendor on April 18, 2013 to ascertain the cause and take corrective action. (Attachment B). In that letter, the respondent stated that "others have encountered your same scenario..."

515 Center Avenue, Bay City, MI 48708 • TDD (Hearing Impaired) (989) 895-4049
www.baycounty-mi.gov

9-

Finance, Human Resources, and others with a need to know were apprised of this situation contemporaneously.

On December 4, 2013, Finance Department received a notice of fine of \$27,918.86. (This amount was over and above the original shortage of about \$14,000). Payment was demanded by December 9, 2013. (Attachment C-1 through C-3.) Neither the form, nor the IRS agent with whom we spoke articulated how the penalty was computed.

On December 5, 2013, Payroll responded to the IRS demand for payment. (Attachment D) On December 9, 2013, the Payroll department contacted the IRS and asked if we would face an additional penalty for not paying this fine. Agent #1306347 orally responded that it would be on hold for up to 30 days until IRS acknowledged receipt of our letter and then an additional 30 days while the IRS made a determination. (Attachment E).

There are several factors which should mitigate our liability in this matter:

1. But for the lateness of notification of rates from the IRS, we would not have had this problem.
2. The IRS website stated that it would "like" to see the new rates by 2-15-2012, thereby acknowledging that adjustments would take time.
3. This was not a willful violation, upon discovery during the on time quarterly 941 reconciliation; the 2% shortage was immediately paid.
4. The fine \$27,918.86 (over and above the original shortage of about \$14,000) for being about three weeks late seems exorbitant.

Generally accepted accounting principles dictate, however, that we should do a budget adjustment to account for the potential liability in 2013. Given that it took the IRS eight months to assess the fine, and that the Payroll and Benefits Supervisor spent over three hours on hold on December 16, 2013 waiting to talk to an IRS representative, without success, it seems unlikely that this issue will be resolved in 2013.

Recommendation

Grant approval to do a budget adjustment for potential liability for FICA penalty.



**BAY COUNTY
PERSONNEL DEPARTMENT**

Tim Quinn, Director
quinn1@baycounty.net
(989) 895-4098 (T)
(989) 895-2076 (F)



Thomas L. Hickner
County Executive

Tiffany Jerry, Payroll/Benefits Super.
jerryt@baycounty.net
(989) 895-4032 (T)
(989) 895-4039 (F)

Danean Wright, Retirement Adm./Acct.
wrightd@baycounty.net
(989) 895-4043 (T)
(989) 895-4113 (F)

Penny Weller, Payroll Clerk
wellerp@baycounty.net
(989) 895-4044 (T)
(989) 895-4039 (F)

April 19, 2013

Department of Treasury
Internal Revenue Service
Cincinnati, OH 45999-0005

RE: First Quarter 941 38-6004837

To Whom It May Concern:

Enclosed is the County of Bay first quarter 941. The 941 shows a balance due of \$14,313.53, this balance was paid through the EFTPS system on 4/19/13, confirmation number 34784202. The balance is due to the FICA tax table update from 4.2% to 6.2% in 2013. The County's first pay date was processed under the 4.2% due to the late change in the tax tables and the processing time for payroll. The tax tables were changed immediately after the first payroll, however the software did not calculate the shortage correctly. Upon reconciling the first quarter 941, it was discovered the amount was not withheld through the payroll software on the following pay date. Immediately following this discovery, the County paid the withholding shortage.

We are asking for consideration in this matter due to the late tax table changes and the proceeding software issues. If you have any questions, please contact me at (989) 895-4032.

Sincerely,

Tiffany Jerry
Payroll/Benefits Supervisor

-11-

B

Tiffany Jerry

From: Payroll Support <payrollsupport@tylertech.com>
Sent: Thursday, April 18, 2013 9:05 AM
To: Tiffany Jerry
Subject: Munis Technical Support Incident 2645003 - First payroll was calculated with incorrect FICA rate

Hi Tiffany-

I am following up with you in regards to incident number 2645003, which was logged as a priority 3 - Medium request for assistance with the following description: First payroll was calculated with incorrect FICA rate.

Without the use of Crystal Reports, we do not have the exact reports you are looking for. However, others have encountered your same scenario and it is discussed on the Tyler Community as well, which explains that there is a fairly simple remedy for this available. On the Deduction Master there is a check box "Adjust for Rounding." Simply checking this box should automatically adjust the withholding amount during your next payroll after the employee rate has been changed.

This option adds the current payroll gross to the YTD gross for percentage based deductions. It then calculates the withholding amount off the total gross and subtracts the amount withheld to date to determine the current payroll withholding amount. For more details please see the Knowledgebase document Self-Adjustment of Percent Deductions. If you are still unsure feel free to run a quick payroll in Train with this option turned on and spot check a few employees.

Thank you,
Heather Greenleaf
Munis Payroll Support

Powered by Onyx Software. Please do not remove the following text as it helps us to serve you better.
[[-808314.1097054-]]

-12-

C-2

If you believe this notice is incorrect, please call us at 1-800-829-0115. When you call, please have your payment information and a copy of your return available. This information will help us find any payment you made that we haven't applied.

Partial Payments

Payment - Please make your check or money order payable to the United States Treasury. Write on your payment your Taxpayer Identification Number, the tax period and tax form. Mail your payment with the stub below in the enclosed envelope or to the address on the front of this notice.

Notice About Partial Payments - Generally, we apply your payment first to tax, then to penalty, and finally to the interest you owe.

Status of Your Account (Exam)

This notice isn't the result of an examination of your return. We notify a taxpayer when we select his/her return for examination.

Penalty and Interest

About Your Notice - The penalty and/or interest charges on your account are explained on the following pages. If you want a more detailed explanation of your penalties and interest, please call the telephone number listed on the top of this notice. You may call your local IRS telephone number if the number shown on your notice is a long-distance call for you. All days mentioned in the paragraphs below are calendar days, unless specifically stated otherwise.

Penalties:

11 Penalty for Not Making a Proper Federal Tax Deposit Based on Your Record of Federal Tax Liability \$27,918.86

We charged a penalty because you did not make a proper tax deposit. Common reasons why we charge this penalty are:

- You did not deposit your tax on time
- You did not deposit enough tax
- You paid your tax directly to IRS
- You deposited your tax to an unauthorized financial institution
- You did not deposit your tax electronically, as required by law

If you disagree with this penalty, see "Removal of Penalties" in this notice. For information about depositing taxes, see Publication 15 (Circular B), Employer's Tax Guide; or Publication 51 (Circular A), Agricultural Employer's Tax Guide.

(Internal Revenue Code section 6656)

Removal of Penalties

C-3

The law lets us remove or reduce penalties if you have reasonable cause or receive erroneous written advice from IRS.

Reasonable Cause

If you believe you have an acceptable reason why IRS should remove or reduce your penalties, send us a signed explanation. After we review your explanation, we will notify you of our decision. In some cases, we may ask you to pay the tax in full before we reduce or remove the penalty for paying late.

Erroneous Advice from IRS

We will remove your penalty if all the following apply:



003899

1. You asked IRS for advice on a specific issue,
2. You gave IRS complete and accurate information,
3. You received advice from IRS,
4. You relied on the advice IRS gave you, and
5. You were penalized based on the advice IRS gave you.

To request removal of the penalty because of erroneous advice from IRS, you should do the following: (1) complete Form 843, *Claim for Refund and Request for Abatement*; and (2) send it to the IRS Service Center where you filed your return.

The law allows you to tell the IRS where to apply your deposits within the tax return period with a deposit penalty. You have 90 days from the date of the correspondence you received showing the deposit penalty to contact the IRS if you want to specify where to apply your deposits.

The law also allows the IRS to remove the deposit penalty if: (1) the penalty applies to the first required deposit after a required change to your frequency of deposits, and (2) you file your employment tax returns by the due date.

For tax forms, instructions and information visit www.irs.gov. (Access to this site will not provide you with your specific taxpayer account information.)

CUT HERE

Return this voucher with your payment or correspondence.

Your Telephone Number: () _____ Best Time to Call: _____ AM _____ PM

Amount you owe: \$27,918.86

You will avoid additional penalties and/or interest if we receive your full payment by December 9, 2013

Amount enclosed: \$ _____

Make payable to United States Treasury
Write Taxpayer Identification Number, tax period and tax form number on payment

Correspondence enclosed

TB 201344 111625 17141-192-02359-3
220 Internal Revenue Service
Cincinnati OH 45999-0039

COUNTY OF BAY
% CRYSTAL HEBBERT FINANCE OFFICER
515 CENTER AVB
BAY CITY MI 48708-5941



-15-



**BAY COUNTY
PERSONNEL DEPARTMENT**

Tim Quinn, Director
quinn@baycounty.net
(989) 895-4098 (T)
(989) 895-2076 (F)

Thomas L. Hickner
County Executive

Tiffany Jerry, Payroll/Benefits Supor.
jerry@baycounty.net
(989) 895-4032 (T)
(989) 895-4039 (F)

December 5, 2013

Department of Treasury
Internal Revenue Service
Cincinnati, OH 45999-0005



Retirement Adm./Acct.
(989) 895-4043 (T)
(989) 895-4113 (F)

Robocca Smutek, Payroll Clerk
smutekr@baycounty.net
(989) 895-4044 (T)
(989) 895-4039 (F)

RE: Notice Number CP220

To Whom It May Concern:

We are responding to Notice Number CP220 regarding a penalty in the amount of \$27,918.86. The first pay date for Bay County in 2013 was check date January 4, 2013. Due to the amount of time it takes to process payroll, payroll was completed and transmitted prior to December 31, 2012 when new tax tables for 2014 became available. Immediately following the release of these tables, the tax tables were updated within our payroll software. During the 941 reconciliation for the first quarter, it was discovered the amount was not corrected for the January 4 pay date within the payroll software. Immediately following this discovery a call was placed to both our software support line on how to correct this and a call was placed to the IRS for guidance on how it should be handled. I have attached the email reply from the software support company. We spoke with ID#1808838 and she indicated that "she doesn't know, they have had a lot of the same questions but the IRS is not providing any guidance with that."

Immediately following the discovery and the phone call to the IRS and software company, the amounts were withheld from the employee's payroll checks and submitted through the EFTPS system. A copy of this explanation was also included with the first quarter 941. I have enclosed a copy of the letter and the correspondence with Bay County's software system.

Due to these unique and unforeseen circumstances, Bay County is requesting the penalties be removed. Bay County feels that these circumstances qualify as reasonable cause to remove the penalties.

Sincerely,

Tiffany Jerry
Payroll/Benefits Supervisor

cc: Thomas Hickner, County Executive
Tim Quinn, Personnel Director
Marty Fitzhugh, Corporation Counsel
Crystal Hebert, Finance Officer

Tim Quinn

From: Tiffany Jerry
Sent: Monday, December 09, 2013 12:58 PM
To: Tim Quinn; Crystal Hebert
Subject: FICA Response Update

E

Tim & Crystal,

As requested, I contacted the IRS today and asked if we needed to pay the penalty today or if we can wait until they respond to our request for a waiver.

I spoke with ID# 1306347, she looked up our account, I explained the circumstances and asked her if we needed to pay it today (as the notice stated) to avoid additional penalties. She said that notice is a systematic letter like most of their letters and goes out automatically. She said she will put a hold on it for 30 days while waiting for our response (sent certified mail on Friday). We should receive a correspondence in the mail stating they have received our letter and are working on it. She stated that when they receive the response, they should automatically put an additional 30 day hold on it. I will follow up with the IRS the first week of January.

This will likely be a long process since this is from the first quarter which is filed in April and the first correspondence we have received from them was on December 4, 2013.

Thanks,

Tiffany Jerry
Payroll/Benefits Supervisor
(989) 895-4032
(998) 895-4039 (fax)

BAY COUNTY BOARD OF COMMISSIONERS

12/17/13

RESOLUTION

BY: BAY COUNTY BOARD OF COMMISSIONERS (12/17/13)
WHEREAS, The Marine Corps League is a federally chartered veterans organization that supports the Marine Corps, Marine Corps veterans and veterans of all the armed services; and
WHEREAS, League members are active in their communities assisting those veterans in need and many members volunteer at Veteran Hospitals and transport veterans to appointments; and
WHEREAS, On January 10-12, 2014, the Marine Corps League is having their Mid-Winter Conference at the DoubleTree Hotel and over 60 members and spouses will be spending two (2) nights at the hotel and visiting the area restaurants and shops; and
WHEREAS, The Marine Corps League is requesting \$1,000, payable to the John C. Rock Saginaw Valley Detachment 902 of the Marine Corps League, to defray costs of this convention; and
WHEREAS, State law allows counties to contribute to veteran's groups for conventions and conferences up to \$5,000 per year; Therefore, Be It
RESOLVED By the Bay County Board of Commissioners that an appropriation of \$1,000 to the John C. Rock Saginaw Valley Detachment 902 of the Marine Corps League for their Mid Winter Conference to be held January 10 - 12, 2014 at the DoubleTree Hotel in Bay City.

ERNIE KRYGIER, CHAIR
AND COMMITTEE

Veterans - John C. Rock Saginaw Valley Detachment 902 of the Marine Corps League
MOVED BY COMM. _____

SUPPORTED BY COMM. _____

Table with 12 columns: COMMISSIONER, Y, N, E, COMMISSIONER, Y, N, E, COMMISSIONER, Y, N, E. Rows include Brandon Krause, Ernie Krygier, Vaughn J. Begick, Kim J. Coonan, Thomas M. Herek, and Donald J. Tilley.

VOTE TOTALS:
ROLL CALL: YEAS _____ NAYS _____ EXCUSED _____
VOICE: YEAS _____ NAYS _____ EXCUSED _____

DISPOSITION: ADOPTED _____ DEFEATED _____ WITHDRAWN _____
AMENDED _____ CORRECTED _____ REFERRED _____

-18-



Marine Corps League
John C. Rock Saginaw Valley Detachment #902
Saginaw, Michigan

TO: Bay County Ways and Means Committee

FROM: John C. Rock Saginaw Valley Detachment 902 of the Marine Corps League

RE: Request for funding

DATE: December 13, 2013

BACKGROUND

The Marine Corps League is a federally chartered veterans organization that supports the Marine Corps, Marine Corps veterans as well as veterans of all the armed services. League members are active in their communities assisting those veterans in need. Many members volunteer at Veteran Hospitals and transport veterans to appointments.

FINANCIAL IMPACT

The Marine Corps League is having their Mid Winter conference at the Bay County Double Tree Hotel January 10-12 2014. It is anticipated that over 60 members and spouses will attend spending two nights at the Hotel and visiting the area restaurants and shops.

Bay county earmarks funding for Veterans conventions. We are requesting \$1000.00 be disbursed to the John C. Rock Detachment 902 of the Marine Corps League to be used to defray costs of this convention.

This is the third convention that the Marine Corps League has held in Bay City at the Double Tree Hotel in the last four years. The staff of the hotel is outstanding in their support and welcoming attitude. The downtown merchants are restaurants benefit from our members visit.

Semper Fidelis, Always faithful,

A handwritten signature in black ink that reads "Jonathan S. VanTol".

Jonathan S. VanTol
Commandant John C. Rock
Saginaw Valley Detachment 902



**Department of Michigan
Marine Corps League and Auxiliary**

**Mid Winter Rally
January 10 - 12, 2014**

January 9th Service Board Meeting 7 PM

Host: Department of Michigan MCL and MCLA

**Place: DoubleTree by Hilton
One Wenonah Park Place, Bay City, MI 48708
Tel. # (989) 891-6000 Fax: (989) 790-1466**

**Rate: Room rate: \$89.00 + 11% tax
Mention 'Marine Corps League' when making reservations.
Reservation cancellation policy: reservations must be cancelled
by 6:00 PM on the day prior to your arrival date to avoid a
cancellation fee of one night's room rate plus tax.**

Check in time 3:00 PM. Check out time is noon.

Cut off date for reservations is January 4, 2014.

**The Department will host a continental breakfast in the Wenonah Suite
on Friday, Saturday and Sunday mornings from 7 - 9 AM.
We will serve Muffins, Cold Cereal, Fruit, Coffee, Tea, Milk and Juice.**

20-



Department of Michigan
Marine Corps League
Incorporated by Act of Congress
www.michiganmarines.org

1 December 2013

Board of Trustees

2013 – 2014

Commandant
Norman F. Pfaff
Senior Vice Commandant
Wendy L. Zamora
Junior Vice Commandant
David K. Masunas
Vice Commandant –
Northern Zone
Fred Gibas
Vice Commandant –
Central Zone
J VanTol
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Phillip S. Smith
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Vice Commandant –
Southern Zone
Raymond L. Rowley
Judge Advocate
Robert L. Hencken
Paymaster
Don L. Lumsden, PDC
Chaplain
Steve Kelley
Junior Past Commandant
Lennie Brooks, PDC

From: Scott R. Neff Sr - Adjutant
To: Department Staff
Detachment Commandants
Joan Pfaff, President, Department of Michigan, Marine Corps League
Auxiliary

Subj: Official Call to the 2014 Mid-Winter Rally

Our Department Mid Winter Rally will convene at the Doubletree by Hilton, One Wenonah Park Place, Bay City Michigan, on Friday, 10 January 2014 at 1400 for a Joint Opening Ceremony with the Department Auxiliary.

The Department of Michigan MCL and Auxiliary are the hosts of the Department Mid Winter Rally. If you have not registered for the Mid Winter Rally or have not placed a reservation for a room, time is running out. Registrations for rooms are to be made with the Doubletree at (989) 891-6000 – mention the Marine Corps League to reserve your room at a reduced rate. Deadline for room reservations is January 4, 2013. Room rates are \$89.00 per night plus tax.

Banquet reservations must to be in by 4 January 2014 if you wish to attend Mid-Winter Banquet. Also, please help the Department and Auxiliary by taking out an ad in the Mid Winter Rally Booklet. The advertising helps the host offset the cost of putting this Rally together. Mid Winter Rally Packets and forms are available at the Department's Web site: www.michiganmarines.org

The Uniform for the Opening Ceremony is the Red Blazer with approved accompaniments. For the rest of the weekend, the Uniform of the Day is Marine Corps League casual wear.

At the Friday Meeting, we will make an effort to have all Officer Reports presented. After reports are given, the session will recess for the day. **Note:** After this recess is an excellent opportunity for all Department Committees to meet and discuss their individual business. All Elected Officers and Detachment Commandants: One copy of your report of activities is to be given to the Department Adjutant.

On Saturday, we will reconvene the meeting with the regular order of business. After the meeting, classes will be held for all members.

If you are a Department Officer and unable to attend the meeting for a valid reason, please contact me prior to the meeting. You may notify me at (248) 798-5776 or by email at <scott.neff@marinemaddog.com> (Email is preferred) Officers not following the aforementioned procedure will be listed as absent.

The Department is requesting that Detachments bring their organization (Detachment) flags with a flag stand. We will post these on the meeting floor. Hopefully we will have all Detachments represented.

Tentative Schedule

Board of Trustees

2013 – 2014

Commandant
Norman F. Pfaff
Senior Vice Commandant
Wendy L. Zamora
Junior Vice Commandant
David K. Masunas
Vice Commandant –
Northern Zone
Fred Gibas
Vice Commandant –
Central Zone
J VanTol
Vice Commandant –
Eastern Zone
Scott R. Neff
Vice Commandant –
Upper Peninsula Zone
Mike D. King
Vice Commandant –
Southeast Zone
Phillip S. Smith
Vice Commandant -
Western Zone
Al Pearson
Vice Commandant –
Southern Zone
Raymond L. Rowley
Judge Advocate
Robert L. Hencken
Paymaster
Don L. Lumsden, PDC
Chaplain
Steve Kelley
Junior Past Commandant
Lennie Brooks, PDC

Thursday – 9 January 2014

1900 – Marine Corps League Veterans Service Board Meeting.

Friday – 10 January 2014

0930 to 1015 – Fundraising Committee Meeting
1030 to 1200 – Marine Corps League Board of Trustees Meeting.
1200 to 1300 – Lunch on your own
1300 to 1400 – Marine Corps League Foundation Board Meeting
1400 to 1500 – Joint Opening Ceremony
1500 – Marine Corps League Business Meeting
1800 – Hospitality Room opens.
1900 – Michigan Pack, Military Order of the Devil Dogs Candidate Initiations
and Obligations
2000 – Michigan Pack, Military Order of the Devil Dogs Growl of the Pack

Saturday 11 January 2014

0900 to 0930 – Joint Memorial service
0930 to 1130 – Reconvene Marine Corps League Business Meeting.
1130 to 1300 – Lunch on your own
1300 to 1400 – Detachment Commandants Council
(*Detachment Commandants will give their reports at this council
meeting*)
1400 to 1430 – Judge Advocates Class
1430 to 1500 – Adjutants Class
1500 to 1600 – Hosting a Convention
1600 to 1700 – Past Department Commandants Council Meeting
1800 – Cocktails
1900 – Banquet

Sunday 12 January 2014

0900 – Board of Trustees Meeting

The Department looks forward to seeing all members at this Department
Mid Winter Rally for the transaction of business, camaraderie and fun.

Semper Fidelis!



Scott R. Neff Sr. - Adjutant
Box 183610

Shelby Township, Michigan, 48318-3610
(248) 798-5776

Email: scott.neff@marinemaddog.com

By Direction of the Department Commandant
Norm Pfaff

Once a Marine, Always a Marine!

BAY COUNTY BOARD OF COMMISSIONERS

12/17/13

RESOLUTION

BY: BAY COUNTY BOARD OF COMMISSIONERS

WHEREAS, In 2013 the Bay County Jail housed two inmates who required extensive and expensive medical care/treatments and these medical costs extensively depleted not only the medical fund but the cost of the Corrections Officer in overtime to transport these inmates to and from their medical treatments; and

WHEREAS, The total amount required to cover the medical bills for these two inmates during their incarceration is \$75,000 as well as an overtime cost of \$21,000; and

WHEREAS, There are no funds in the Sheriff Department to cover this expense; Therefore, Be It

RESOLVED That the Bay County Board of Commissioners authorizes the appropriation of \$96,000 from Fund Balance to cover the medical (\$75,000) and overtime (\$21,000) costs incurred for two inmates at the Bay County Jail in 2013.

ERNIE KRYGIER, CHAIR
AND BOARD

Sheriff - \$96,000 Appropriation for Medical and Overtime Costs for 2 Inmates

MOVED BY COMM. _____

SUPPORTED BY COMM. _____

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
BRANDON KRAUSE				KIM J. COONAN				MICHAEL E. LUTZ			
ERNIE KRYGIER				THOMAS M. HEREK							
VAUGHN J. BEGICK				DONALD J. TILLEY							

VOTE TOTALS:

ROLL CALL: YEAS _____ NAYS _____ EXCUSED _____

VOICE: YEAS _____ NAYS _____ EXCUSED _____

DISPOSITION: ADOPTED _____ DEFEATED _____ WITHDRAWN _____
AMENDED _____ CORRECTED _____ REFERRED _____

John E. Miller
Sheriff Of Bay County

Troy Cunningham
Undersheriff

Troy A. Stewart
Jail Administrator



TO: Ernie Krygier, Chairman
Board Of Commissioners

FROM: Undersheriff Troy R. Cunningham *Troy RGC*

DATE: December 17, 2013

SUBJECT: 2013 Jail Budget

REQUEST: Requesting the Board of Commissions to increase our 2013 Jail budget. This past year the jail housed two inmates that required extensive and expensive medical care/treatments. The medical costs extensively depleted not only our medical fund but the cost of the corrections officer in overtime to transport these inmates to and from their medical treatments.

FINANCE: The estimated amount needed to pay the medical bills for just these two inmates during their incarceration is \$75,000.00 also the jail overtime of \$21,000.

RECOMMENDATIONS: I am requesting the committee's approval and authorizations to increase the Sheriff's budget fund(s) to come from the General Fund fund balance and to make necessary budget adjustments to cover the shortfall in our 2013 budget.

CC: Sheriff John E. Miller
Captain Troy A. Stewart
Crystal Hebert Finance Officer
Kim Priessnitz Assistance Finance Officer
File Copy

ls/BOC 2013,JailBudgetInc.

Phone: (989) 895-4050

Public Safety Depends On You!
503 Third Street, Bay City, Michigan 48708

Fax: (989) 895-4058

