EXHIBIT F
ORDINANCE 1786

Understanding of Elected Officials' Compensation

The Statute:

IC 36-5-3-2 Compensation for officers and employees; fixing of annual compensation; determining increases or decreases in compensation

Sec. 2. (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. The term includes all employee benefits paid to an elected town officer, including life insurance, health insurance, disability insurance, retirement benefits, and pension benefits. For purposes of determining an increase or decrease in compensation of an elected town officer, the term does not include any of the following:

(1) Payment of an insurance premium.
(2) Payments in recognition of:
    (A) longevity;
    (B) professional certifications; or
    (C) educational advancements;
that are separately identified on a salary ordinance or resolution.
(3) Payment of a stipend or per diem allowed by statute.
(4) A payment authorized under subsection (d).

(b) The town legislative body shall, by ordinance, fix the compensation of its own members, the town clerk-treasurer, and the town marshal. An ordinance adopted under this subsection that fixes the annual compensation of an elected town officer shall provide for an annual, monthly, or biweekly salary schedule. An elected town officer is not required to report hours worked and may not be compensated based on the number of hours worked. 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 (including elected 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.

[Pre-Local Government Recodification Citations: Part new; 18-3-1-34.]
As added by Acts 1980, P.L.212, SEC.4. Amended by Acts 1981, P.L.17, SEC.26; P.L.351-1983, SEC.1; P.L.15-1993, SEC.4; P.L.209-2019, SEC.15.

The Employee Manual:

From the *Town of Munster Employee Manual*, March 2018, Chapter 3.3 Leave, Section 4A: "Regular Full time and Part-time employees whose normal work week is twenty-four (24) hours or more shall be able to utilize vacation."

From the *Town of Munster Employee Manual*, March 2018, Chapter 3.3 Leave, Section 4E Vacation Leave Accumulation: "Vacation leave shall be earned on a daily basis. A vacation account shall be kept on each employee with bi-weekly deposits and deductions when leave is taken. The maximum vacation accrual allowed is two (2) times an employee's annual rate of accrual. Accumulation in excess of this is addressed in Pay-in-Lieu-of-Leave."

From the *Town of Munster Employee Manual*, March 2018, Chapter 3.3 Leave, Section 4F Pay-In-Lieu-of-Leave: "Vacation accrued in excess of twice an employee's annual accrual shall be paid out at the employee's current hourly rate. The vacation accrual adjustment will take place twice annually. The first adjustment will take place on the first paycheck in January. The second adjustment will be on the first paycheck in July. An employee may request payment of accrued vacation leave to cover family financial emergencies. The employee must submit a request in writing to the Town Manager. The Town Manager may approve such a request and authorize the payment for the next regular payroll. In addition, an employee may use their vacation or compensation time for the use of employees who qualify for emergency leave. No other additional salary shall be paid to an employee in lieu-of-vacation."

Understanding:

Members of the Munster Town Council are elected officers and are not "regular full-time or part-time employees whose normal work-week is twenty-four hours or more." As such, members of the Munster Town Council are not eligible to receive Town-provided medical, dental, vision care, or long-term disability insurance; vacation allowance or payment in-lieu-of-vacation; sick leave; or payments in recognition of longevity, professional certifications, or educational advancements. Members of the Munster Town Council are eligible to receive a biweekly salary defined in the annual salary ordinance; employer contributions to a retirement plan; mileage reimbursement for use of a personal vehicle on Town business, but not commuting to/from home; per diem allowance for travel on Town business; life insurance premiums; and Park Department discounts defined in the annual salary ordinance.

The Clerk-Treasurer is both an elected officer and a regular full-time employee. In addition to the biweekly salary defined in the annual salary ordinance, the Clerk-Treasurer is eligible to receive Town-provided medical, dental, vision care, life, and long-term disability insurance; employer contributions to a retirement plan; mileage reimbursement for use of a personal vehicle on Town business, but not commuting to/from home; per diem allowance for travel on Town business; Park Department discounts defined in the annual salary ordinance; and payments in recognition of professional certifications or educational advancements as defined in the annual salary ordinance. Although the Clerk-Treasurer is not required to report hours worked, if the Clerk-Treasurer voluntarily reports hours worked in the same manner as other regular full-time employees, then the Clerk-Treasurer will also be eligible to receive vacation allowance or payment in-lieu-of-vacation; sick leave; and payments in recognition of longevity.