

Jared Blanton

From: Jared Blanton
Sent: Monday, March 29, 2021 1:15 PM
To: levyfinanceDistro
Subject: FW: Incentive Pay

For Office Record:

Jared Blanton, MBA, CPA
Finance Officer
Levy Clerk & Comptroller Danny J. Shipp
355 S. Court Street
Bronson, FL 32621
(352) 486-5266 ext. 1225

From: Danny J. Shipp <levyclerk@levyclerk.com>
Sent: Thursday, March 25, 2021 8:15 PM
To: Jared Blanton <blanton-jared@levyclerk.com>; Jacqueline Martin <martin-jacqueline@levycounty.org>
Cc: Wilbur Dean <dean-wilbur@levycounty.org>; Levy County Commission District 1 <district1@levycounty.org>; Levy County Commission District 2 <district2@levycounty.org>; Levy County Commission District 3 <district3@levycounty.org>; Levy County Commission District 4 <district4@levycounty.org>; Levy County Commission District 5 <district5@levycounty.org>; Faith Southard <southard-faith@levyclerk.com>
Subject: Re: Incentive Pay

I am not agreeing with Katie Graves to up hold the mou for separate checks because separate checks was not addressed in the MOU. I am working with the BOCC to cut separate checks in order to resolve the problems caused within the union negotiations. I have no intentions of recutting payrolls that has been produced to the 5 we have paid. Please understand between the hours of everyone's e-mails, Tex- messages and employee's labor we have cost the tax payers of levy county more with this venture than it is worth. This is the agreement made with Mr. Dean, myself and the clerk and comptroller finance team. Your next union's negotiations may need to consult with the clerk and comptrollers office before sending a MOU on payroll dates that is not physically possible to fulfill on short notices, as per we are regulated by statutory and IRS regulations.

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From: Jared Blanton <blanton-jared@levyclerk.com>
Sent: Thursday, March 25, 2021 6:54:15 PM
To: Jacqueline Martin <martin-jacqueline@levycounty.org>

Cc: Wilbur Dean <dean-wilbur@levycounty.org>; Levy County Commission District 1 <district1@levycounty.org>; Levy County Commission District 2 <district2@levycounty.org>; Levy County Commission District 3 <district3@levycounty.org>; Levy County Commission District 4 <district4@levycounty.org>; Levy County Commission District 5 <district5@levycounty.org>; Faith Southard <southard-faith@levyclerk.com>; Danny J. Shipp <levyclerk@levyclerk.com>
Subject: RE: Incentive Pay

Jacqueline,

Thank you. Sorry it took a while to get to this – we had our exit conference with the auditors today and other stuff.

Ok, so now I think we have a path forward for the Clerk & Comptroller to help the Board give the allowance for the union’s interpretation of the agreement between the Board and the Local 4069. The Clerk is not party to the agreement, and therefore is not upholding it, nor bound by it, but rather, is making an effort to assist the Board by assuming a *manageable portion* of additional workload, free of additional funding requests. Per our discussion with Wilbur in Mr. Shipp’s office earlier in the week, the following is to be understood:

1. We need a Board action clarifying that their intent in this particular MOU was for separate payments to be made. This can simply be a motion and a vote in a meeting for which the Clerk is taking minutes, so far as I’m concerned, that’s all I need. I don’t need a renegotiation or revised/clarified agreement, Resolution, or anything of that type so long as we can get that clarification of intent on public record.
2. The Clerk will run up to 4 additional payroll runs to accommodate these separate checks, but we’ll need to schedule these around our cyclical workload. We realize that one of these will need to be sometime in September, since not all DPS employees will be qualified until then.
3. We will not request additional funding for those 4 payroll runs unless some other unusual interpretation on what’s been written surfaces that requires additional unforeseen effort.
4. Faith will provide BOCC Management with that calendar of the dates we can make those extra payroll runs. BOCC Management (Wilbur, HR, or Mitch) can discuss with Faith the possibility of some flexibility of those dates and what will work. Those dates will likely *NOT* coincide with normal payroll dates because of complications and workload issues.
5. Federal withholding taxes will be withheld at the required supplemental pay rate of 22%, as well as normal FICA/Med of 7.65%. Obviously employer portion of FICA will also be paid.
6. **It should be noted that if an employee has any automatic tax deductions set to pay out (because some do), those will still come out of this separate check. We have to go by their W-4.**
7. One thing I am not clear about is whether these employees are also requesting physical checks or are ok with their normal direct deposit settings. We will assume their normal payment account settings until we hear differently. I’m here by myself at the moment and not sure how easy it can be to temporarily “turn off” direct deposits for employees and issue physical checks, so anyone who is expecting that would need to communicate it well ahead of time to be sure it can be done without a process disruption.
8. **Per Mr. Shipp’s explicit and repeated instruction in our meeting, and which he just reiterated to me when I informed him of the union’s response, we will *not* be going backward to change prior payments, for a number of reasons. I will outline some of the ramifications of that, briefly, below, so it’s clear we’re not just being obstinate.**

Faith is out until Monday, but I’m copying her on this email so she is aware of the need to construct a schedule to turn over to BOCC Management for payment processing dates. Faith: Please provide a check date as well as a “last day to get paperwork” for those check dates.

Addendum about changing prior payments, some problems:

1. Withholding taxes are automatically calculated with gross wages less excluded/deductible amounts. Reversing that actually requires a reversal of the entire pay to the employee, or a series of ill-advised manual adjustments to their payroll history in conjunction with the tax return info.
2. Simply paying “the difference” would result in improperly reported taxes on the 941’s as well as the W-2’s at year end, without more manual adjustments.
3. Taxes are withheld, reported, and remitted to the IRS.
4. Taxes are paid the same week. We are at the end of the 1st Quarter for payroll taxes. The Clerk would have to recover taxes paid to the IRS in the 1st Quarter, and pay them out in the 2nd Quarter. That’s going to create situations wherein our supporting documentation will be out of sync with our tax returns.
5. There is no mechanism to immediately retrieve that money from the IRS, so we must then cut it out of other withholding, or artificially reduce wages with negative amounts. Or establish liability and receivable accounts to track balances for several offsetting transactions per employee.
6. In some cases, the employees’ incentive pay was larger than their paycheck. So, since the reissue would not be combined with normal payroll, but separate, it would be impossible to simply reverse the whole paycheck on a check run without shipwrecking the employee’s normal deductions. So reversing the whole check and then repaying the deposit would not be feasible.
7. All of these actions can create a myriad of problematic reconciliation issues on our tax reporting, as well as some accounting issues, because, again, we’d have to manually adjust wages to act as if taxes paid were on a different cycle.

I hope this is clear enough to follow; the first section is what’s most pertinent. I didn’t anticipate being here today, but my vacation is delayed.

Jared Blanton, MBA, CPA
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(352) 486-5266 ext. 1225

From: Jacqueline Martin <martin-jacqueline@levycounty.org>

Sent: Thursday, March 25, 2021 10:54 AM

To: Jared Blanton <blanton-jared@levyclerk.com>

Cc: Wilbur Dean <dean-wilbur@levycounty.org>

Subject: FW: Incentive Pay

See response from Katy below.

Jacqueline Martin

Human Resource Manager
Levy County Commission

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From: Wilbur Dean <dean-wilbur@levycounty.org>
Sent: Thursday, March 25, 2021 10:48 AM
To: Jacqueline Martin <martin-jacqueline@levycounty.org>
Subject: FW: Incentive Pay

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From: Katy Graves <kgraves2528@yahoo.com>
Sent: Thursday, March 25, 2021 10:40 AM
To: Wilbur Dean <dean-wilbur@levycounty.org>; Mitch Harrell <mharrell@levydps.com>; Levy County Commission District 1 <district1@levycounty.org>; Levy County Commission District 2 <district2@levycounty.org>; Levy County Commission District 3 <district3@levycounty.org>; Levy County Commission District 4 <district4@levycounty.org>; Levy County Commission District 5 <district5@levycounty.org>
Subject: Incentive Pay

Good Morning Mr. Dean,

In follow up to our conversation regarding the incentive pay, we are glad that the finance department agreed to uphold the Incentive MOU by providing separate checks as we negotiated. We understand that finance will be deducting FICA, Medicare and an additional 22% "supplemental pay" tax withholding (total bring home for EMT \$703.50 PMD \$2814). Please have the finance department verify that the 5 individuals that already received this money as part of their regular paycheck are made whole with the above monies, if necessary. Also, please pass along our sincerest appreciation to the county finance officer for the hard work and dedication involved in resolving this issue.

Regards,

Katy Graves

President

International Association of Firefighters

Levy County Local 4069

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