

December 29, 2015

The Cherry County Board of Commissioners met in regular session on December 29, 2015, as per notice in the Valentine Midland News, with the agenda being on file in the office of the County Clerk. Roll call was taken. Present at this meeting were County Commissioners: Tanya Storer, Jim Van Winkle, and Mark Adamson. Also present was Cherry County Clerk, Tom Elliott.

The meeting was called to order at 10:00 AM by Chairman Adamson. The Open Meetings Act Notice was announced. The minutes of the last regular meeting were read. Commissioner Adamson moved to approve minutes as read. Commissioner Van Winkle seconded the motion. Roll call vote was taken. Commissioner Van Winkle-aye. Commissioner Adamson-aye. Commissioner Storer-abstain. The motion carried.

It was the consensus of the Board to table the agenda item related to the appointment of a Public Defender to the January 26, 2016 meeting.

The Board discussed accessing archived public records in the Courthouse. It was the consensus of the Board to accommodate public records requests and to further consider a process to organize the archived records.

The Board reviewed a quote for phone services by Applied Connective Technologies. It was the consensus of the Board to schedule a meeting with a representative of Applied Connective to discuss the matter further.

The Board reviewed a hazard mitigation plan related to planning for natural hazards and eligibility of federal funding for mitigation purposes.

Commissioner Van Winkle moved to adopt Resolution No. 12-29-2015-1, adopting the Region 24 Emergency Management Multi-jurisdictional Hazard Mitigation Plan in its entirety and requesting approval of the plan at the federal level. Commissioner Adamson seconded the motion. Roll call vote was taken. Commissioner Storer-aye. Commissioner Adamson-aye. Commissioner Van Winkle-aye. The motion carried.

Kalli Kieborz addressed the Board regarding possible office space to house the Niobrara Council Office. After considering some options, it was the consensus of the Board to have Mrs. Kieborz discuss the issue further with the Council Board and report back.

The Board discussed the method of paying some bills for the Visitor's Promotion Fund and related comments from the recent County audit with Dean Jacobs. No Board action was required.

At 3:00 PM, as advertised, the Board recessed from regular session to convene as a Board of Corrections.

At 4:15 PM the Board returned to regular session.

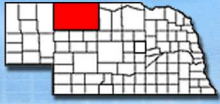
The Board discussed the monthly budget reports that are provided to County departments. It was the consensus of the Board to request acknowledgement from Department heads on a monthly basis that reports have been received, are accurate, and in compliance with the current adopted budget.

It was the consensus of the Board to request that the County Clerk make monthly bank statement reconciliations available to the Board, specifically for the Imprest Account, Health Fund Account, Clerk's Account, and Petty Cash Fund Account.

The Board reviewed safeguard measures addressed by the Board at the July 28, 2015 Commissioners meeting. Commissioner Storer moved to amend the minutes from the July 28, 2015 meeting to reflect that the intent of the Board regarding the proposed safeguard measures was for the measures to be completed by the Clerk's office. Commissioner Van Winkle seconded the motion. Roll call vote was taken. Commissioner Adamson-aye. Commissioner Van Winkle-aye. Commissioner Storer-aye. The motion carried.

It was the consensus of the Board to request a written follow-up on the status of the twelve safeguard measures prior to the next meeting.

The Board reviewed the draft audit report prepared by the State Auditor's office. Commissioner Storer moved to accept the audit report for the fiscal year 2014-2015 as presented. Commissioner Adamson seconded the motion. Roll call vote was taken. Commissioner Van Winkle-aye. Commissioner Adamson-aye. Commissioner Storer-aye. The motion carried.



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It was the consensus of the Board to approve the following responses to the 2014-2015 audit:

County overall:

Segregation of Duties:

On July 28, 2015 the Board of Commissioners asked the County Clerk to “create a plan, per the (2014) audit report’s comments, in which all Cherry County business is carried out and reviewed by two individuals in the Clerk’s office.” As of December 2015, no plan has been provided. Cherry County Board of Commissioners request each office provide a written plan for segregation of duties involving transactions handling county funds/assets/financial records.

County Board/Clerk:

Claim Procedures:

The Cherry County Board of Commissioners have not been provided with detailed information as to which specific claims were paid twice during the 2015 fiscal year or which claims were lacking adequate supporting documentation. The Board of Commissioners is presented with claims prepared by the Clerk’s office, which are presumed to be true and accurate. However, as a result of our investigation of questionable claims, and lack of implementation of procedures to assure segregation of duties by the Clerk’s office, as previously requested, we believe the practice of duplicate payments to be the result of fraudulent claims prepared and presented by the Clerks’ office, to support the alleged theft of funds by the Deputy Clerk.

The Board of Commissioners will require all offices to review and confirm, by written signature, all claims submitted/approved by their respective offices to be accurate.

Cherry County Board of Commissioners will not accept any claim without adequate supporting documentation.

Payroll Issues:

Cherry County Board of Commissioners identified unauthorized pay adjustments to several county employees on August 11, 2015 and requested the Deputy Clerk correct them. As a result of corrections not being made as of October 2015, Commissioner Adamson supervised Clerk’s office staff in correcting all payroll issues. All office heads will be asked to review their respective payroll claims each month and confirm by written signature that they are accurate. Any pay adjustments must be approved by written signature, by supervising staff.

Outgoing officials will only be paid for time served/worked.

Cherry County Board of Commissioners believes Justice Center employees do qualify for the exemption noted in the Fair Labor Standards Act for Law Enforcement Employees as per section (f) of that act.

29 C.F.R. § 553.211 (f) The term any employee in law enforcement activities also includes, penitentiaries, prisons, prison farms, county, city and village jails, precinct house lockups and reformatories. Employees of correctional institutions who qualify as security personnel for purposes of the section 7(k) exemption are those who have responsibility for controlling and maintaining custody of inmates and of safeguarding them from other inmates or for supervising such functions, regardless of whether their duties are performed inside the correctional institution or outside the institution (as in the case of road gangs). These employees are considered to be engaged in law enforcement activities regardless of their rank.

Cherry County Board of Commissioners ordered Cherry County Clerks’ office to audit and correct all employees withholding.

Publication of Board Minutes:

Based on historical precedence, the Cherry County Clerk's office has been assigned the task of publishing the minutes of all meetings held by the Cherry County Commissioners. As a result of being made aware that minutes/claims were not being published on more than one occasion in 2015, Cherry County Board of Commissioners ordered the Cherry County Clerk to publish the minutes/claims in their entirety, on April 14, 2015 and again on September 29, 2015.

Cherry County Board of Commissioners will now require the Clerk to email minutes and proof of submission for publication, to each of the board members by 10 am the first Friday after each meeting.

Petty Cash:

Cherry County Board of Commissioners will require a monthly written proof of reconciliation of both the general expenditures and health insurance petty cash accounts, including supporting documentation of all expenditures.

Imprest Account Reconciliation:

Cherry County Board of Commissioners have historically entrusted the receipt and subsequent reconciliation of the Cherry County Imprest Fund account to the Cherry County Clerk. Upon suspected fraudulent use of credit cards by the Deputy Clerk, the Board requested and received a copy of all bank statements for the Imprest account in May of 2015, dating back to 5-2013, from the bank. As a result, it was discovered by the Board that there were several unauthorized counter checks, lacking the proper signatures, which had cleared the bank. On July 28, 2015, the Board requested that the Clerk move the Imprest account to a new bank. No action was taken by the Clerk. On October 13, 2015, by a vote of the Board, that bank was taken off the list of approved financial institutions for Cherry County and the account was subsequently moved.

The Board requests a written monthly proof of reconciliation of the Imprest account from the Clerk's office.

The Board only authorizes written warrants drawn on the Imprest account bearing both the signature of the Chairman of the Board and the Cherry County Clerk.

The Board will request from the County Clerk and will have on file, a written plan for segregation of duties, organization and protocol, involving transactions handling county funds/assets/financial records.

Expenditures in Excess of Budget:

Each office/department will certify their budget expenditures, made available by the County Clerk's office after claim approvals, on a monthly basis and report to the Board any unexpected variances.

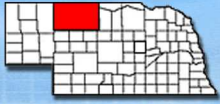
Cherry County Board of Commissioners will amend budgets as necessary, prior to the end of the fiscal year, as a result of variances reported to the Board by individual offices.

Inventory Listing:

Cherry County Board of Commissioners requires all offices review and update inventory lists.

Summary:

The Cherry County Board of Commissioners began to question the Clerks' office/Deputy Clerks procedures for handling claims, including non-publication of minutes/claims, in part as a response to concerns presented by the County Treasurer, in early 2015. Additionally, the Board requested that the Clerks' office provide original credit card statements from fiscal year 2013-14 on, for review. 30 days after our formal request, statements were not produced at which time the Board initiated and carried out an internal investigation. This ultimately resulted in the discovery of evidence which lead to formal charges being brought against the Deputy Clerk. The Board continues to actively investigate areas of possible fraudulent uses of County funds in an effort to both recover the tax payer's money and prevent any future fraudulent activity. These ongoing efforts most recently resulted in the discovery of a \$41,869.69 check written out of



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the Cherry County Health & Medical Claims account and deposited directly into a personal account held by the Deputy Clerk. We welcome the assistance of the State Auditor's Office in these matters.

Mark I Adamson
Cherry County Commissioner - Chairman

Commissioner Van Winkle moved to approve claims. Commissioner Storer seconded the motion. Roll call vote was taken. Commissioner Adamson-aye. Commissioner Storer-aye. Commissioner Van Winkle-aye. The motion carried.

December 29, 2015

CHERRY COUNTY CLAIMS LISTING

Claims were presented in the amount of	\$	178,769.78	.
and disallowed in the amount of	\$	-	.
A warrant was ordered drawn on the General Fund in the amount of			\$
			178,769.78

GENERAL

AFLAC	Withholdings	\$902.92
Ameritas Life Insurance/Retirement	Withholdings/Retirement	\$13,847.67
Ameritas Life Insurance/Dental	Withholdings/Insurance	\$1,791.32
AS Central Finance/State of NE	Services	\$277.30
Cherry County Health Account	Health Claim Funding	\$27,839.38
Colonial Life	Supplemental Insurance Premiums	\$3,303.53
Credit Management Services	Garnishment	\$75.04
EFTPS	Taxes/Withholdings	\$27,144.65
General Collection	Garnishment	\$352.47
Legal Shield	Services	\$690.65
MassMutual	Withholdings	\$1,850.00
Meritain Health	Health Insurance Premiums	\$12,288.78
NE Child Support Payment Center	Garnishment	\$535.00
NE Department of Revenue	Taxes/Withholdings	\$3,389.57
General Fund Payroll	Payroll	\$118,130.01
	TOTAL	\$212,418.29
	Adjustment for employees' share of withholdings	(\$33,648.51)
	WARRANT AMOUNT	\$178,769.78

Claims were presented in the amount of	\$	92,327.53	.
and disallowed in the amount of	\$	-	.
A warrant was ordered drawn on the Road Fund in the amount of	\$	92,327.53	

ROAD

AFLAC	Withholdings/Insurance	\$790.41
Ameritas Life Insurance/Retirement	Withholdings/Retirement	\$6,681.07
Ameritas Life Insurance/Dental	Withholdings/Insurance	\$1,138.72
AS Central Finance/State of NE	Services	\$27.70
Assurity Life Insurance Company	Withholdings/Insurance	\$32.40
Cherry County Health Account	Health Claim Funding	\$16,121.91
Colonial Life	Supplemental Insurance Premiums	\$1,752.33

EFTPS	Taxes/Withholdings	\$13,345.98
Legal Shield	Services	\$327.95
Meritain Health	Health Insurance Premiums	\$6,596.70
NE Department of Revenue	Taxes/Withholdings	\$1,629.21
SD Child Support Payment Center	Garnishment	\$433.33
Road Fund Payroll	Payroll	\$59,863.11
	TOTAL	\$108,740.82
	Adjustment for employees' share of withholdings	(\$16,413.29)
	WARRANT AMMOUNT	\$92,327.53

Claims were presented in the amount of	\$	12,718.24	.
and disallowed in the amount of	\$	-	.
A warrant was ordered drawn on the Health Claims Fund in the amount of	\$	12,718.24	

HEALTH CLAIMS FUND

Cherry County Clerk	Health Claims	\$12,348.24
Interactive Health Inc	Services	\$370.00
	TOTAL	\$12,718.24

Claims were presented in the amount of	\$	2,745.62	.
and disallowed in the amount of	\$	-	.
A warrant was ordered drawn on the Emergency Management Fund in the amount of			

EMERGENCY MANAGEMENT

Ameritas Life Insurance/Retirement	Withholdings/Retirement	\$270.01
EFTPS	Taxes/Withholdings	\$572.18
NE Department of Revenue	Taxes/Withholdings	\$63.43
Emergency Management Payroll	Payroll	\$2,400.00
	TOTAL	\$3,305.62
	Adjustment for employees' share of withholdings	(\$560.00)
	WARRANT AMOUNT	\$2,745.62

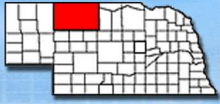
END

Approved this date, **December 29, 2015**

Thomas E Elliott
Cherry County Clerk

BOARD OF COMMISSIONERS
Cherry County, Nebraska

At 5:30 PM Chairman Adamson declared the meeting adjourned.



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The Cherry County Board of Commissioners met as a Board of Corrections, as advertised, at 3:00 PM on December 29, 2015. The Open Meetings Act was referenced by Chairman Adamson and the Open Meetings Act poster was acknowledged. Present for the meeting were County Commissioners: Mark Adamson, Tanya Storer, and Jim Van Winkle. Also present was Deputy County Clerk, Sally Monroe.

The reading of the last meeting minutes was waived.

Present for the meeting were County Attorney Eric Scott, Lieutenant Krista Ostransky, Sergeant Gayla Hawk, and Justice Center employee David Stoeger.

It was the consensus of the Board to table the CBM contract to the next meeting.

The Board discussed the need to hire a dispatcher to replace Eric Thacker due to his resignation. No Board action was required regarding paging reports and policy & procedure.

The January dispatch schedule was reviewed.

Justice Center staff training schedules were discussed.

The Board discussed medical leave for David Stoeger. Commissioner Adamson moved to approve payment of sixty hours of accrued medical leave for Mr. Stoeger. Commissioner Van Winkle seconded the motion. Roll call vote was taken. Commissioner Storer-aye. Commissioner Van Winkle-aye. Commissioner Adamson-aye. The motion carried.

The Board discussed grant funds that may be available to assist with obtaining additional protective gear and equipment for Justice Center employees.

At 4:15 PM Chairman Adamson declared the meeting adjourned.

Approved this day, **December 29, 2015**

BOARD OF COMMISSIONERS

Thomas E Elliott

Cherry County , Nebraska

Cherry County Clerk

