

The Board of Supervisors of Shelby County, Iowa, met pursuant to law and rules of said board in regular session at 9:00 a.m. in the Supervisors Chambers of the Shelby County Courthouse with the following members present: Steve Kenkel, Chairman; Charles Parkhurst, Vice-Chairperson; and Supervisor Darin Haake and Mark Maxwell, Clerk.

The Chair asked that any conflict of interest be stated concerning any item on the agenda. No conflicts were stated.

A motion was made by Haake and seconded by Parkhurst to approve the agenda with no additions. AYES: Unanimous NAYES: None

A motion was made by Parkhurst with a second by Haake, to approve the minutes of the March 5th regular meeting and the minutes of the special meeting held on March 14th, 2019. The following changes were made to the description of the wage publication in the March 5th meeting minutes – “It was moved by Haake, seconded by Parkhurst, to approve the publication of the following calendar year 2018 Payroll and to authorize the Clerk to include the gross wages and benefits as provided by Shelby County payroll software, the actual copy and method of calculation is available upon request at the Auditors office as well as individual employees of the Landfill, EMA, and Assessor.” AYES: Unanimous NAYES: None

It was moved by Parkhurst, seconded by Haake, to approve the Claims of March 14th, 2019 as listed in the claims register. AYES: Unanimous NAYES: None

All Supervisors indicated they did not have any committee reports at this time.

Amanda Brewer from the Harlan Community Library was on hand. Ms. Brewer presented documents giving just a few of the many activities sponsored by the Harlan Library for children and adults. There have been recent personnel changes and responsibilities have been redistributed making positive changes to what has been done in the past. Future projects were presented including a project partnership with the Shelby County Museum.

Alissa LaCanne updated the Board on library activities in Elk Horn including adult craft classes and after school activities for preschool and school age children. These are very popular and expanding these services is being investigated. The library has also sponsored movies in the park in the summertime. Many community clubs and organizations use the library in Elk Horn.

Todd Valline of the Shelby County Chamber of Commerce and Industry, addressed the board noting that the Shopko Store in Harlan will be closing its doors for good, this was a Shopko Corporate decision. Valline said he is already working on filling the impending vacancy. He also said there are a few ribbon cutting ceremonies coming up and there are positives in view of his organization.

Valline has a proposal from the Community Kitchen and their interest in renting of the empty space at the Courthouse annex building. They have proposed \$250.00 a month. Auditor Maxwell said his office would monitor the electricity usage to make sure of the continuing feasibility of the agreement which has a 60 day termination of agreement included. Marcus Gross, Shelby County Attorney agreed to look at the proposal and bring recommendations back to the board, if he had any suggestions, after reviewing the document. Supervisor Kenkel added that electricity usage could be a factor in determining any additional charges monthly to the Community Kitchen as freezer units will be used. These are of the household style and not commercial variety.

The Board considered approving the liquor license of The 19th Hole, the establishment at the Shelby County Golf Course. A motion was made by Parkhurst and a second by Haake to approve the license. AYES: Parkhurst & Kenkel & Haake NAYS: None

Chairman Kenkel then opened the public hearing for the County budget which was published lawfully in the required publications. Details were presented by both County Engineer Brandon Burmeister and Auditor Maxwell showing the Shelby County departments and other Counties across the state as well as the changes in the percentage in dollars taxed by Shelby County. All of the information can be obtained by contacting the Auditors office or Engineers office. After not receiving any comments the chairman then closed the hearing. Supervisor Parkhurst then made a motion to pass the following resolution, a second was made by Supervisor Haake.

RESOLUTION NO. 2019-10
ENTRY RECORD OF THE HEARING AND DETERMINATION
OF THE COUNTY BUDGET FOR FISCAL YEAR 2020

BE IT REMEMBERED, on the 19th day of March 2019, A.D., at the hour of 9:00 A.M. of said day, the Board of Supervisors of Shelby County, Iowa, met for the hearing upon the county budget as filed with the Board. There was present a quorum as required by law.

WHEREAS, the Board investigated and found that the notice of time and place of hearing had, according to law, and as directed by the Board, been published in the official county newspapers published in Shelby County and that affidavits of publication, therefore, are on file with the County Auditor.

THEREFORE, on said day, the budget was taken up and considered. Present were interested parties and various department heads. There were no other written or oral comments. After discussion, the Chairman declared the hearing closed and the County Budget for Fiscal Year 2020 adopted, along with the modified Shelby County Compensation Board recommendation passed at a previous meeting.

The above and foregoing resolution was adopted by the Board of Supervisors of Shelby County, Iowa, the vote thereon being as follows: AYES: Haake, Kenkel, Parkhurst NAYES: None

Nick Preston, Shelby County Conservation Director, addressed the board concerning the mitigation project in Earling, this is proposed to be a 28-E agreement between the City of Earling, Shelby County and the Shelby County Conservation Board. A flood and erosion control wetland structure will be built, the state will put a value on the structure, if any wetlands are to be destroyed or modified downstream, the three parties in this agreement will get paid back from the party that is removing or altering wetlands downstream, for the value that is put on the structure by the State. The Iowa Department of Transportation and the Department of Natural Resources are requiring projects like this to happen. This project will be one of the first of its kind in the state. A motion was made by Haake and a second by Parkhurst to have Shelby County sign on to this agreement. A vote was held with Parkhurst, Kenkel and Haake all voting in favor of entering into the agreement. No Nays were cast.

Shelby County Engineer Brandon Burmeister notified the board that he would like to have more time to keep the embargo on granular surfaced roads. It was then suggested by County Attorney Marcus Gross and motioned by Haake and seconded by Parkhurst to give Supervisor Kenkel and County Engineer Burmeister authority to lift the embargo when conditions permit. The lifting of the restrictions is to be done in coordination with news outlets to notify the public. This Resolution of Necessity 2019-14 was put into effect on March 14th. A vote was held on the motion. Haake, Kenkel and Parkhurst all voted in favor of the motion.

Burmeister then asked the supervisors for their support in passing a resolution against passage of a bill in the Iowa legislature. This bill would allow overweight forestry cargo in the whole state of Iowa. A motion by Parkhurst and second by Haake was made to adopt the following resolution.

Resolution 2019-15 A RESOLUTION OPPOSING SENATE STUDY BILL 1045 AND SENATE FILE 184 PASSED BY THE SENATE COMMITTEE ON TRANSPORTATION

WHEREAS, the Transportation Committee in the Iowa Senate has passed House Study Bill 1045 (SF 184) which would amend and make changes to Iowa Code Chapter 321 related to transportation of indivisible loads and raw forestry products on primary and non-primary highways, and;

WHEREAS, Shelby County owns and maintains nonprimary highways, and is fiscally and legally responsible for the nonprimary highways within the County,

WHEREAS, Shelby County owns and maintains 193 structures classified as bridges by the National Bridge Inspection Standards, and;

WHEREAS, many of the bridges owned by Shelby County are aging and structurally deficient or functionally obsolete, and;

WHEREAS, current funding is not adequate to replace or rehabilitate these bridges at the rate their conditions are deteriorating, and;

WHEREAS, the nonprimary roads and bridges owned by Shelby County serve a critical need for residents, agricultural users, businesses, schools, post offices, and emergency responders, and;

WHEREAS, the proposed bill would allow the Iowa Department of Transportation to issue annual permits to forestry industry haulers for loads up to 130,000 pounds on nonprimary

highways throughout Iowa, without knowledge of or notice given to the agencies which own these highways and the structures thereon, and;

WHEREAS, bridges within Shelby County have been designed for loads that were legal on Iowa roads at the time of their construction, and bridges have only been rated or posted with weight restrictions for loads that are currently legal on roads, and;

WHEREAS, each bridge within Shelby County is unique based on its age, design, and current condition,

WHEREAS, load rating to ensure safe passage of loads greater than 80,000 pounds would be unique for each load on each individual bridge, and;

WHEREAS, the traversing of Shelby County bridges by loads up to 130,000 pounds without the County being afforded the knowledge of or the ability to restrict each occurrence, would result in gradual and possibly sudden failure of bridges within the County, and;

WHEREAS, Shelby County would likely bear legal and financial liability for subsequent failure of its bridges, even if such failures are caused by loads they did not permit, and;

WHEREAS, Shelby County is not financially able to repair or replace bridges which would be subject to accelerated deterioration by increased loads, and;

WHEREAS, Shelby County and its residents, farmers, businesses, schools, post offices, and emergency responders, would be subjected to undue operational and economic hardships by further degradation of its road system and the structures thereon;

THEREFORE, BE IT RESOLVED, that the Shelby County Board of Supervisors strongly urges all Iowa lawmakers to vote in opposition to this legislation. Resolved this 19th day of March

Ayes were cast in favor of **Resolution 2019-15** by Parkhurst, Kenkel and Haake. No Nays were cast.

Geralyn Greer, Shelby County Recorder and Courthouse Safety Committee Representative, submitted a proposal by Feld Fire to install a new alarm system in the Courthouse and upgrade of the aged existing system. After agreement from the head of Building and Grounds, Auditor Mark Maxwell, Supervisor Haake made a motion and Parkhurst seconded the motion to approve the project at an estimated cost of \$7,587.00. There was a \$1000.00 safety grant awarded to Shelby County from their insurer that will be used to offset some of the cost. The motion carried unanimously. Greer was thanked for all of her efforts in this project.

A records management policy was then approved by the Board of Supervisors, it was necessitated by requirements of the County property insurance company to keep an index of all files kept in each department in case of a disaster. The County insurance carrier is also asking Shelby County to approve a telecommute policy, it will establish procedures for working from home if permitted by department heads for their employees. After discussion and a motion by Parkhurst and a second was made by Haake, a unanimous vote was recorded to adopt the policies. Copies are on file in the Auditors office.

The State Auditor's office report released last week created more questions to Shelby County Legal Counsel as well as the State Auditor's office. Responses have not been received as of yet. The report prompted the following statement from the Shelby County Board of Supervisors:

STATEMENT FROM SHELBY COUNTY BOARD OF SUPERVISORS
TO THE CITIZENS OF SHELBY COUNTY,

Approximately 22 months ago, The State Auditor's Office was contacted by Shelby County's Legal counsel, Michael Galloway, requesting a special investigation to review various payroll issues and policies governing various Shelby County Departments. Although the process took some time to complete, we believe the review was thorough and it demonstrated that the process of engaging an independent review was the best course of action.

The contents and findings of the report are expected to be of concern to the community. The Board of Supervisors as elected officials are disappointed and embarrassed this has happened. We are not proud of these actions. However, we will certainly use the information provided to make changes in policies and procedures. Even before the onset of the investigation, policies and procedures began changing. For example, employee payroll reports are now required to have detailed, supporting documentation prior to payment, and all department head time sheets are signed by the chair of the Board governing said departments. In addition, the Shelby County Personnel Policies were reviewed by our Legal Counsel and recommendations for changes were provided. The Board of Supervisors will continue working with the State Auditor's Office to ensure the appropriate policies are in place.

For your information, the EMA department is under the direction and control of the EMA Executive Board. The Board of Supervisors does not have any direct oversight over the entity except

to have one seat on the EMA Executive Board. All EMA payroll is processed by the Shelby County Auditor’s Office, and the EMA Board had adopted the personnel policies of Shelby County. These policies and applicable Union contracts should govern leave accrual issues and payment/ use of accrued leave. Since the investigation commenced, the EMA Board has adopted a personnel policy for their department.

The State Auditor has filed copies of the report with the Iowa Division of Criminal Investigation, the Shelby County Attorney’s Office and the Iowa Attorney General’s office. We are committed to ensuring that the interests of the Shelby county taxpayers are protected.

Auditor Mark Maxwell then had the following statement regarding his name in the Audit Report and actions that have been implemented before the release of the audit report.

Almost 27 months ago, when I took the oath to be Shelby county auditor, the duties and responsibilities were prescribed by Iowa code. My office makes out all payments to employees for payroll, reimbursements as well as claims for payment. In Shelby County the term claim means “a bill to Shelby County” or in other terms, a claim against the County. 31 days after taking the oath I put in a claim to Shelby County. It was for 536.03 and the receipts attached to this claim only totaled 530.88 The difference being \$5.15. When this audit was released, I immediately paid the County back the \$5.15. I am very much embarrassed by this.

- A credit card policy was put in place for four reasons,
1. To have the ability to recover lost receipts
 2. To limit the number of times and the dollar amounts when the county makes a check out, other than a payroll check, to an employee.
 3. Putting charges on a credit card for expenses protects the Department and employee from questions of personal reimbursements from the County for meetings, travel and lodging. The charge is on the statement and on the receipt.
 4. This eliminates the possibility that an employee would receive perks from using their own credit card at Shelby County expense.

Most Departments have complied with the policy. It has made my department validate receipts versus the credit card statement which adds to our workload but keeps everyone protected going forward. Also, when I took office, our claim forms had my signature “rubber stamped” on each form. Only one person would perform the process. On advisement from our private auditors we now prepare the claim, I look at each claim after it is prepared, and any questions of validity are addressed. Then and only then do I sign the claim form. Now there are two sets of eyes on every claim, before being presented to the Board of Supervisors

Addressing the payroll issues, when I took the oath of office one of my first projects was to try and get every department to use the same standardized forms for payroll submissions. There were departments that tracked their hours worked, vacation, overtime, compensation time and sick time themselves and payroll (my offices responsibility) did not have the same records that the department had. This has finally reached full compliance. All employees are now being advised to look at their pay stub on each check to make sure all is correct going forward.

This independent audit was not supervised internally, this report will give the Shelby County Auditors office a great amount of information and guidance on how to conduct employee payroll and employee reimbursements going forward.

Supervisor Kenkel noted the comment in the above statement that not everyone would be in compliance with the policy. He said those departments will be in compliance going forward.

There being no further business appearing, the Chairman declared the meeting adjourned.

Steve Kenkel, Chairman

ATTEST:

Mark L. Maxwell
Clerk to the Board of Supervisors