

PERRY COUNTY BOARD OF COMMISSIONERS
MEETING MINUTES
October 17, 2024

The Perry County Board of Commissioners met at 6:00 p.m., as was duly advertised. Commissioners: President Randy Cole (RC), Rebecca Thorn (RT), and Randy Kleaving (RK) were in attendance. Auditor Kristinia Hammack and Sheriff Alan Malone were also present. There was no *Attorney* or *News Representative* in attendance.

The meeting opened with all present reciting the Pledge of Allegiance.

AGENDA

RK made a motion to approve the agenda as modified, seconded by RT. Motion carried 3-0.

PUBLIC COMMENTS

- a) Chris Goffinet, representing Perry County Port Authority, and Tom Holm
A copy of an Ordinance was sent to the Commissioners. Goffinet stated that last year, the Perry County Port Authority issued bond anticipation notes, called BANS, in order to do construction financing of the new bridge across Anderson River the Port Authority already built. Permanent financing is done by the United States Department of Agriculture, USDA, and they will not provide construction financing.
Goffinet stated that the reason for attending this meeting is to begin the process of refunding the bond anticipation notes with the permanent financing from the USDA. They will purchase a bond in an amount of \$1.428 million to pay off the BANS.
Goffinet stated that the Port Authority is introducing the Ordinance and no action will be taken on this. What the Ordinance does is it appropriates the money the Port Authority gets on the bond sale from USDA. It appropriates that money to pay off the BANS. The Port Authority, through its revenue, pays off the USDA bond over twenty years. Goffinet stated the interest rate on this is 3.75%.
Goffinet will put a notice in the paper of a public hearing, which the Port Authority would like to be held on the Commissioner's regular meeting on November 4, 2024. Goffinet stated that action would be taken on this at that meeting. Assuming the Commissioner's approve this, the Port Authority would close on this sometime in November and get the BANS paid off.
Tom Holm stated this project was pretty much on budget.
RC asked Holm how the rail project is coming along, and he responded well, and in a month or the month after, the Port Authority is starting the financing process. It is a grant. Holm stated they anticipate this being done sometime next summer. This is a \$12 million project.
RK asked with the new rail, they should be able to pull more weight, and Holm confirmed this. However, the Port Authority does not really have the rolling stock to pull it.

KEVIN HERP, VETERAN SERVICE OFFICER

- a) Herp appeared asking that Courthouse Road from Highway 37 to the back entrance of the parking lot of the Courthouse be closed on the day of the Veterans's Day Car Show. RK asked if Herp will need barricades, and he responded yes, from the entrance of Highway 37. Highway Superintendent Steve Howell was asked to help with the barricades.

RK made a motion to approve closing of Courthouse Drive on November 9th during the hours of 8:00 a.m. to 3:00 p.m., seconded by RT. Motion carried 3-0.

MINUTES

- a) 10.07.2024

RT made a motion to accept as presented, seconded by RK. Motion carried 3-0.

KRISTINIA HAMMACK, AUDITOR

- a) 2023 State Board of Accounts Audit
Auditor Hammack stated she has received several inquiries on the 2023 Audit, and she felt this would be in the best interest to go over this in a public setting.

The State Board of Accounts field examiners began the County's audit offsite in March, 2024 and finished the end of August or first of September. The exit meeting was on September 13th.

- 1) In the regular portion of the audit, the County did have four findings:

1. Finding 2023-001

Financial Transactions and Reporting

Perry County did not have effective internal controls over reporting the annual financial report. The ineffective internal controls resulted in material errors not being reported in Gateway.

Description of Corrective Action Plan

The Auditor is now aware that this information is to be submitted on the AFR, as in years past this information has not been submitted on previous years. These financial records were not included in the LOW financials. The Auditor will add these funds to the financial software to ensure proper future reporting

Completion Date: March 1, 2025

2. Finding 2023-002

Preparation of the Schedule of Expenditures of Federal Awards

Perry County did not properly review the federal grant information prepared and submitted in Gateway. The ineffective internal control resulted in material errors on the County's Schedule of Federal Awards Expended.

Description of Corrective Action Plan

The Auditor is now aware that some grants start out as Federal grant funding, but by the time funding reaches the county level, it is no longer considered Federal funding. Also, in 2023, the Auditor's office noticed the lack of information being submitted to the Auditor's office when grants were applied for and then received. In 2023, a system was implemented to entail all paperwork is filed in the Auditor's office prior. Auditor Hammack feels confident in the Auditor's office grant reporting going forward. The information presented in Gateway will be reviewed to the paperwork filed in the Auditor's office prior to submission.

Completion Date: March 1, 2025.

3. Finding 2023-003

Covid 19-Coronavirus State and Local Fiscal Recovery Funds-Suspension and Debarment

The ineffective internal controls resulting in a failure of having processes and procedures in place to prohibit from contracting with or making subawards under covered transactions to parties that are suspended and debarred or whose principals are suspended or debarred.

Description of Corrective Action Plan

Currently, the County requires all new vendors to complete a "Vendor Registration Form". A new step that Procurement implemented as of September 30, 2024, will be verification of vendor's status on sam.gov and attaching the screenshot to the LOW system. Procurement will update their vendor policy to specifically include this step.

The Auditor's office will check incoming contracts from departments to ensure proper documentation is attached that verifies the vendor has been checked through sam.gov and in.gov. Once the contract has been approved by the Commissioners, the Auditor's office will then upload the contract and supporting documents into Gateway.

Anticipated Completion Date: September 30, 2024.

4. Finding 2023-004

COVID 19-Coronavirus State and Local Fiscal Recovery Fund-Reporting Federal

Perry County did not properly report period expenditures. The County submitted one P&E report during the audit period. Although the Deputy Auditor compiled the information for the report and the County Auditor reviewed and submitted the report, the internal controls were not effective in preventing, detecting and correcting, errors. As a result, the P&E report contained errors.

Description of Corrective Action:

The Auditor is now aware that the P&E reporting period is not calendar. All internal control will stay in place and this information will be noted for further SLFRF reporting. The Auditor will review the reports prior to

submission to ensure that the reporting period is not on a calendar year when reporting.

Completion Date: March 1, 2025.

2) State Board of Accounts Complaints

Auditor Hammack stated that the State Board of Accounts (SBOA) has a website, and anyone can submit on this website. If SBOA receives a submission, they have to look into it. When someone submits something to the SBOA, it warrants an investigation. Hammack spent a lot of time with the field examiners and the audit manager. Hammack works hand-in-hand with SBOA, and every item that was submitted anonymously was review by her. Hammack stated there were numerous complaints and many were duplicates. They were as follows:

Auditor's Office

- List of people getting homestead deductions
Hammack reviewed every one of those deductions with the field examiners and nothing was reported back to Hammack or in the audit report. If SBOA did not find anything, then it is not listed in the audit report. There were no homestead deductions being given that should not be. There was one error of a homestead corrected in 2023, but with the way it was corrected, it fell off in 2024. It was very visible it was corrected in 2023, just not properly corrected.
- Error on Special Legislation Fund
This was a fund transfer error, and the County did receive a management letter for this. A management letter means it is a verbal, but it is documented. A Management Letter of Communication of Non-Compliance is something that they will look at during next year's audit. The County borrowed \$100,000 as a loan from Special Legislation to Cum Cap Development. When Hammack went to pay this back on May 31st, she did the transaction backwards. She assumed this was already corrected since the County borrowed \$200,000 this year. She planned to pay the \$200,000 back with the Fall Settlement. A lot is paid out of Cum Cap in the beginning of the year, as many of the County contracts are due. With SBOA looking at the County Special Legislation, they stated that this fund was created to account for the Special Legislation Local Income Tax that was authorized by Statute to pay the Lease Rental payments associated with the construction of the jail. Because the underlying debt was retired in 2022, with no further lease rental payments due from the County, any balance in the LIT Special Legislation Fund was to have been transferred into a County Jail Operation fund to be used for jail maintenance and operation cost according to Statute. This fund has not been created. Hammack stated that the SBOA will look at this next year. In the midst of looking at the Special Legislation fund due to the anonymous tip regarding the Auditor's error, SBOA found errors that the County should have transferred the money when the bond was paid off in July 2022. Hammack further stated that whatever that balance was at that time should have been moved to Jail Operations and can only be used for Jail Operations. Hammack talked with SBOA regarding the changes that happened this year with the changes in Legislation, and was told that does not matter, whatever that balance was it should have gone to Jail Operations. Any further funding from there is a whole different story.
- Sheriff Tahoe-Auditor never asked permission to add to County insurance
The purchase was from Commissary and approved by the Commissioners. Hammack feels it is part of her job if it was approved for the Sheriff to purchase a Tahoe, she feels they would be more upset with her if she did not put insurance on it. There was no finding.
- Check for \$5,000 for K-9 Donations
Hammack stated she provided all the paperwork to SBOA and never heard anything else about it. There was no finding.

County

- Christmas Party
The County Christmas party was reported. The County has put on a Christmas party documenting back to 2008. The hosting office switches from office to office. Donations have always been sought from local businesses, and all County employees and elected officials were invited. The County received a management letter, so SBOA will check next year to ensure this was corrected. Hammack stated this was due to the County

should have opened an employee association account at the bank since donations were being sought on behalf of the County. Hammack further stated that the County has a Christmas party binder dating back to 2008. The Auditor's office hosted the party in 2023. The field examiners went through this binder, along with reviewing the spreadsheet documenting all donations received and amounts spent for 2023. Proper protocol is to have an association account for this.

- Sharing information with Megan Fritchley
Hammack stated Fritchley comes in the Auditor's office frequently and asks for information, as other people do. Everything is public knowledge, and Hammack is aware of what she cannot share.
There was no finding.
- Conflict of Interest
There was a Health Board member that has an electronic sign, Dr. Brockman, on Washington Street that the Health Department purchased advertisements for. Brockman has a subcontract with an individual who operates the sign. Hammack felt that if someone felt a conflict of interest was needed, she would have this form completed within minutes.
The other conflict of interest was on Keith Huck. Hammack had Huck complete a non-disclosure instead of the conflict-of-interest form in error.
- Take home vehicles
Employees that take home vehicles has never been listed on their W-2, but based on SBOA Statutes, the County should be including this. It has never been done before.
- Commissary Fund
Hammack stated Sheriff Alan Malone submits his reports on this fund to the County Council twice a year. Sheriff Malone stated that he has to submit his Commissary twice a year to the County Council only. He does not give it to anyone else. By law, he has to furnish to County Council. Malone stated that recently he has had numerous reports on his Commissary, and every one were unfounded. Malone feels this is a huge waste of County taxpayer money with that many complaints made against Commissary. He received no records request.
- Property Tax Assessment Appeals

Non-County

- Mayor-Historical Society
- PCDC-Questioning Family Relations
- PCDC-Nepotism-2024 Contract
- PCVB-Financials/Audit/Nepotism

Hammack feels that most of these could have been answered or addressed prior to taking these to SBOA. When a complaint is submitted to SBOA, they feel it warrants investigation, and in the end, it costs more money from the County. Hammack stated the invoices have not yet been received, and these are just estimates, the financial cost of the main part of the audit estimated at \$52,000, the Federal, which is ARPA funds, is estimated at \$19,500, and the extra from anonymous tips will cost an addition \$10,000-\$12,000.

b) Health Insurance Claims: \$94,892.38

RK made a motion to approve, seconded by RT. Motion carried 3-0.

c) 10.17.2024 AP Claim Docket: \$1,240,589.08

RT made a motion to approve, seconded by RK. Motion carried 3-0.

COMMISSIONERS

a) Prosecutor's Office surplus filing cabinets

RT stated she has spoken with Prosecutor Hurst and they have several filing cabinets that are in bad shape. They have a company that will come and pick these up, Piranha, with the shredding. RT stated these cabinets would not bring anything at auction. Auditor Hammack stated that office has been told to update Data Pitstop to eliminate those from inventory.

RT made a motion to allow the Prosecutor's office to dispose of those cabinets, seconded by RK. Motion carried 3-0.

b) PCMH Board of Trustee-Letters of Interest received

RC stated the County has an appointment that is due for the Perry County Memorial Hospital Board, but it will not be made until the November 4th meeting. Applications are due Friday, November 1st at 4:00 p.m.

- RT asked if there are two open board positions, and RC confirmed this.
- c) Health Board-Letters of Interest received
 RC stated this appointment is the same condition as the PCMH board.
 Appointment will be made on November 4th.
 RC stated that there is one open board position, and there may be some restrictions and actual requirements, and he has not had a chance to look these up.
 He believes this position is politically affiliated.
 - d) Road Striping
 RC stated he has asked the Redevelopment to do striping down at the Foundry and Web Wheel as you come in and out of the striping in front where the stop sign is located. The current is getting old and not able to be seen when it rains.
 RC stated that Steve Howell, Highway Superintendent, has checked with a striping company who will come and do this. RC asked the Redevelopment about some additional TIF money left over from Web Wheel. This will cost \$1,000.
 This will not impact the County’s budget. RC asked Howell if this road is on the County’s inventory, and if not, it needs to be.
- RK made a motion to approve, seconded by RT. Motion carried 3-0.
- e) The next meeting will be Monday, November 4, 2024 at 9:00 a.m. at the North Annex Training Room.

The meeting was adjourned at 6:51 p.m. CST.
 RT made a motion to adjourn, seconded by RK. Motion carried 3-0.

Randy Cole
 President

Rebecca Thorn
 Vice-President

Randy Kleaving

Minutes reviewed by:
Kristinia L. Hammack, Auditor

Minutes prepared by:
Leisa M. Ecker, Deputy Auditor