

# Greenwood Nebraska

*Small Town, Nebraska with Big Heart*

Board of Trustees  
October 30<sup>th</sup>, 2018  
Minutes

NOTICE IS HEREBY GIVEN that a Regular Meeting of the Greenwood Board of Trustees will be held at 7:00 p.m. on Tuesday, October 30, 2018 at the E.L. McDonald Community Center, 619 Main Street, Greenwood, Nebraska. Said meeting is open and the public is encouraged to attend. The Board of Trustees reserves the right to adjourn to Executive Session per State Statute 84-1410. The open meetings act is posted in the meeting room for the public to view.

## **Role Call**

Piehl, Meyer, Gerlach, Wilken, and Starr were present

## **Consent Agenda**

### **Approve/Disapprove minutes**

### **Approval of time cards**

### **Claims**

### **Financials**

Gerlach said there is typo in the minutes and requested that Cadwell correct the issue.

Gerlach made a motion to approve consent agenda with the corrections as noted for the minutes, time cards, claims, and financials. Starr seconded the motion.

Aye-Piehl, Gerlach, Wilken, Starr                      Abstain- Meyer    Nay-None                      Motion carried

## **Communication of Citizens**

Consider requests from individuals present. Each speaker will be allowed two minutes and no action will be taken on these topics until the next Board Meeting. The Village Board will review the matters and take action as they deem appropriate. Notice: There is to be no comments or disruption to the meeting in progress. You will be asked to leave if the above is not adhered to. We ask for your cooperation and courtesy. Thank You.

## **Old Business**

### **Discussion approve/disapprove of recalculated electric bill for 626 Main Street**

Starr said this recalculation goes back to 2016. Starr asked what the attorney's recommendation was for going back that far was. Bargaen said that last time they discussed this matter, the village was unsure how far back they had records. Bargaen said he thinks the board should try to recoup the money lost. There had been an error in the billing. Bargaen said he thinks that we should prepare a bill and present the bill to the customer. He thinks that this will be the best course of action.

Wilken made a motion to send Yoder's a bill for \$12,530.79 to recoup electrical fees. Piehl seconded the motion.

Aye-Meyer, Gerlach, Wilken, Starr, Piehl

### **Discussion approve/disapprove of bids for lawnmower**

Wilken said there is only one bid for the lawnmower. Gerlach opened the sealed bid. Gerlach read the bid aloud to the group. Please accept this sealed bid from Husker Trucking Inc. for the following item, one 60-inch Hustler lawnmower for a price of \$1125.00. Starr said that is better than what we would receive on trade in. The trade in value was \$725.00. Meyer asked where the money from the mower was going to be allocated. Starr said that the money is going toward the purchase of a new lawnmower.

Gerlach made a motion to approve the bid from Husker Trucking for \$1125.00 for the 60-inch Hustler mower.

Aye-Starr, Piehl, Meyer, Gerlach                      Abstain-Wilken                      Nay-None                      Motion carried

### **Discussion approve/disapprove of Watt's electric invoice**

Piehl said she is not understanding because she thought this was already approved for payment after the attorney advised us to pay this. Wilken said it was never approved the attorney was going to ask for more input on what they were billing us for from that invoice. Bargaen said he is still waiting that information from Watt's attorney. Wilken said that the board felt as if they were fully paid but Watt's is saying that we still owe them \$6338.82. Gerlach said they have still not provided us with an itemized invoice after we have requested these numerous times. Piehl said that the initial invoice was paid. Then they sent us a second invoice for the \$6338.82. We argued with them regarding this invoice and obviously it has gotten us nowhere. She thought that the last time we met it was decided to pay it because their attorney was saying this is what we are billing you. Bargaen asked if this matter had been voted on. Gerlach said it had been tabled. Wilken said he didn't think it was on the agenda to pay it before. Starr said he thought that Bargaen's recommendation was not to go to court, but see what their response was going to be. Bargaen said that it is clearly in your rights to find out what the discrepancy is. What I was told a week or so ago from their attorney was that there was an error on the first billing. Bargaen said they requested additional information and we are waiting to hear back. Bargaen said it is up to the board to decide if you want us to pursue the matter further or if you would like to go ahead and pay the invoice. Starr said he still thinks that we need to see the itemized invoice. He would like to know what Watt's is billing us for. Motion tabled at this time.

### **Discussion approve/disapprove Dutch door bid for office**

Fergus said he spoke with Sovereign and he said it would be \$300.00 to redo the door in the office. He said the vendor that Sovereign uses does not carry Dutch doors. Fergus said we can consider using another vendor, but they are really not that common. Gerlach said that we should put an advertisement out and open this bid up to everybody. Piehl said that advertising in the paper is expensive. Wilken said this project is not over 30,000, so we don't have to advertise in the paper. We will just need to get three bids. If you know of carpenters, ask for a bid. Piehl suggested we advertise on the Greenwood website. Gerlach said to also post a notice and leave it up for two weeks. Wilkens said that we should have some bids by the last week in November. Meyer asked why our maintenance men couldn't do the job. Piehl said because we don't have a Dutch door. Gerlach made a motion to post a bid for the Dutch door and lock sets for the council chamber doors going into the office. Wilken seconded the motion.

Aye-Piehl, Meyer, Gerlach, Wilken, Starr      Nay-None      Motion carried

### **Discussion approve/disapprove Ahlman zoning permit**

Gerlach said that he is the one that had this added to the agenda. He said that everything that Nathan has submitted seems to be correct as of now. He said that Ahlman has been very good about providing him with the things that he has requested. After more review and the ordinances that are in place now referring to the zoning ordinance 473, Section 11.02 Any changes or modifications of zoning areas must be routed through the Planning commission. Gerlach said at this point we do not have a planning commission. He asked the attorney how we should handle this. Bargaen said that the village will need to get one. They will need to appoint a planning commission and there is a process for doing that. Gerlach said we can appoint people but what if they don't want to serve on the board. Bargaen said you need to find people that are willing to serve. Bargaen said that in particular with changing zoning there are requirements for public hearings and public notice. Gerlach said they have the step by step stuff here. Bargaen said all that is by state statute and you can't change that. Bargaen said there has to be a planning commission in place. We have to have their hearing, their vote, and a recommendation to village board. Gerlach said that according to the way it is written the Village board is the board of adjustment. Bargaen said yes. Gerlach asked if we would still need to go through the planning commission for this. Bargaen said yes. He said that the board of adjustment is like an appeal board for decisions made by lower city employees or administrators. Gerlach said to Ahlman we need a planning commission. Ahlman said we are already going on fifteen months dealing with this. Ahlman asked how stupid is this. Ahlman said that maybe he should go to a judge about this. Bargaen said there is no way around the state statute, it is what is required. Ahlman said they have known there was a problem for over a year and they have not corrected it. Ahlman said at what point do we say there is a loss to the corporation and the village should pay the bill. Bargaen said he can't get into this discussion with him. Ahlman told Bargaen he doesn't have to. He has already received some guidance on zoning. He said that he is not trying to create a ruckus, he just wants to get this moved along. Ahlman said if the board doesn't have a planning commission that is not his problem. That would be the village board's problem. The board can over rule this. Gerlach said that the recommendation on this is if there is someone we would like to appoint. Gerlach asked how do we do this. Bargaen said that the board chair would be the person to recommend nominees. The rest of the

board would need to approve the appointments. There would be a minimum of five people needed. Gerlach said he thought that there is only two people left on the planning commission. Bargaen said there has to be one person from outside the city limits. Gerlach said he thought we can get around that because of our size. Bargaen thought that might be true, but he will double check what needs to happen and get back to Gerlach. Kubik asked if there was anyway to use the county. Bargaen said yes, we could enter in to an interlocal agreement to have them do that. Gerlach thought that we have approached them two or three times and they don't even want to look at us. Kubik asked if that was official or verbal. Gerlach said that was verbal, apparently, they don't like to come to this side of the county. Wilken said we can call and find out. Kubik asked what about Ashland, can we go to another city for this. Bargaen said you can. Gerlach said it comes down to whether they want to cooperate or not. Piehl said that is worth a shot. Gerlach said the planning commission had one reached out to Ashland, but there planning commission and building inspector are already over worked the way it is. Kubik asked if it is published anywhere that we need members. Gerlach said it has been posted out there for awhile now. Kubik said that if this has been going on for fifteen months, the problem is drastic and should be advertised in the paper. Ahlman said that his understanding was you can have a planning commission but not have a comprehensive plan. He said without a planning commission you can not enforce a comprehensive plan. It doesn't exist. Bargaen said it is a requirement for zoning permits and changes. Ahlman said that is his understanding of the state statue. Bargaen said he can't speak on the matter. Tabled for next agenda

#### **Discussion approve/disapprove revisions to Horvath agreement**

Bargaen said he reviewed the contract and sent it back along with comments early this month. They sent this back a few days ago with additional comments. Apparently, they had an attorney leave about a month ago. They then tried to negotiate by themselves and now there might be another attorney involved. He said he is not for sure, but these should be their final comments from their side. Bargaen says he doesn't see any issue with the comments. He tried to push them on the lease amount, but they said from their perspective this was the highest they are willing to pay for anyone. The rent will be \$12,000 a year. Bargaen said he thinks that there are sufficient protections in the agreement for the village in terms of control of the property. Wilkens said that they must be serious because he received a call from the engineer regarding tanks on the property or what the property had been used for previously. Bargaen said there was two different agreements. The first was the entry and authorization agreement. They needed that to enter the property and do some testing. We got that signed and returned to Horvath. The document we are reviewing is the second piece to it. This is the official lease agreement. The changes are marked in the packet. Gerlach said he had a question regarding comment S6, the failure to comply to access. Bargaen said he figured out that Horvath's biggest concern was not falling into a trap with the village. They didn't want to have pieces of the lease that the village could use to kick them out. Bargaen said that they if for some reason we would bar them from the property that would default the agreement. Gerlach said that only other question he had was regarding property taxes accessed. Bargaen thought he originally struck out that paragraph and the other attorney added it back. It doesn't hurt to have it in there. There are no taxes on that property anyway.

Gerlach made a motion to approve the Horvath agreement with corrections subject to attorney approval. Starr seconded the motion.

Aye-Piehl, Meyer, Gerlach, Wilken, Starr

Nay-None

Motion carried

#### **Current Business (discussion with approval or disapproval as needed)**

##### **Discussion approve/disapprove state audit report**

Wilken said this audit was for October 2016 through September 2017. Piehl said her first question is if we had until yesterday to respond, why did we respond in less than 24 hours? Wilkens explained that they asked us to respond as soon as possible. Piehl went on to say that some of this stuff was easy corrections. Wilkens said you can either accept the findings or fight it. Piehl said she thinks some of that we could have fought. We could have supplied some of this too them. It was a decision that wasn't made mutually. She felt like she had no say in it. Cadwell said an email was sent. She said that she had less than 24 hours to respond back. Wilken said that the email was sent out on Monday and the response was sent on Wednesday. Piehl said that by the time she received it and had time to reply the response had already been sent. She feels that this is not a decision one or two board members get to make. She asked Gerlach is he voted to approve it. Piehl said it is apparently approved because it is already on the state auditor's website. Starr said that we accepted the findings. Wilkens said there are numerous emails out there asking the board members if they knew anything. Piehl said that she responded to every email and asked Cadwell to verify. Cadwell said that she responded to some of the emails. Cadwell said that reason that response was sent quick was to avoid losing our funds. If the response wasn't in, we would lose the

highway allocation funds as of November 1, 2018. She also said that the response wasn't a right or wrong response. The response was we accept your findings. Piehl asked if that was correct. Bargaen said that it was unsure. Bargaen said that whatever the emails from the state auditor said. The final one that got sent said we had until yesterday to respond to it. She said she is confused to why we jumped so quickly to respond. She said no one called her to discuss this, besides Starr. Gerlach said that one of the other things that was discussed was that before this could be discussed in an open meeting, we would have to accept this as a final draft. Piehl asked who decided to accept this is my question. Gerlach said he accepted it as a final draft. Piehl said the email she received said she had until yesterday to respond and it got responded to immediately, before we had two seconds to digest the information. Piehl said she guesses she can call the auditor personally ask her why she gave us until yesterday to respond and then it got responded to immediately. Gerlach said that was the thing, we could not discuss it until it had been made public. Piehl said you guys discussed it. Gerlach said all he got was an email and that was yes go ahead. Piehl said now we can go back and dispute all these things. The park thing wouldn't have got done if it wasn't done properly. We wouldn't have just received free money. Wilken asked what did it say about the park. Cadwell said that she is referring to the part in the auditor's report where there was a missing invoice for Crouch Recreation. Wilken said you have to have documentation to back up everything. Piehl said she thinks there is documentation but it just needs to be found. Piehl said that she was getting email after email. She was responding back. She said she is not responding to everyone because she can't. Wilkens said in the last three or four weeks before they had completed the audit, Cadwell sent out a message saying I have all these things we are missing and please help me. Piehl said I can print off all my responses. Cadwell said they don't care about the responses, they wanted documentation. Starr asked if we can fight it. Wilken said we can show them when we come out next month to do our other audit. Kubik asked the attorney to explain what an audit it since no one seems to understand what this is. Kubik said he doesn't think the board understands what an audit is. He thinks the attorney should explain how an audit works, this is not a debate. It is walk in and find out what is real and what is not. Piehl said it kind of is a debate because they are asking for general things. Kubik said it is not a debate. Piehl said she is trying to explain her side of it. Kubik said he thinks the attorney should explain it because this report says its empty. Bargaen said a when a state auditor does an audit it is their job to review the books, invoices, review the bank accounts, etc. Typically, municipalities have audits done anyway with the accounting firms they contract with and it is usually done once a year. There is usually a report along with that. The state auditor will step in if there is an issue or a complaint. These are not uncommon. There job is to find stuff. They are always going to find stuff. There will never be a perfect audit. At least, in my experience it pretty easy for the state auditor's office. They realize that and that is the purpose of the office to make sure good governance happens in Nebraska. They try to correct issues. It is not so much in trying to find fault, unless they think that there is some additional issue with something. They can forward it on to law enforcement. In terms of what their purpose is, they are just trying to help correct issues and make things better. That is what a lot of their recommendations are. It is probably public record now obviously, it was when it was given to the city. It actually says that in the report. Discussion can happen. If you think there are response that should be had for some of these items, then go ahead and do that. In general, the response to these are thank you very much for the information we are working to correct the issues you have identified. It doesn't turn into a debate between the entity and the state auditor. If you have documentation that you couldn't find and now you do have it, forward that on. But in general, the response on these are we understand the issue, we are going to correct the issue going forward, thank you for pointing this out. There are some recommendations and maybe there are some things that the village can respond to. Bargaen said then maybe write a letter and respond that way. Meyer told Kubik that the 2015 audit states there is an internal error present. This audit was approved by the board and it is highlighted on multiple pages. Kubik said that wasn't his question. He thought it sounded as if everyone didn't know what an audit is and how it works. He said that is usually the confusion in government. He thinks people don't understand it and people don't get involved until a red flag is thrown. He said this issue didn't start yesterday. Piehl said the problem started many years ago. Kubik questioned the many years ago. He said that the last audit was presented to the board in 2016 for the 2015-2016 fiscal year. Piehl asked Kubik what Meyer had just said. Frank said we get audited every year. Wilken said yes, we get audited every year by our accounting firm, HBE. Then it is turned in the state for review. Wilken said that the reason the state of Nebraska did our audit was because it was not turned in for the 2016-2017 year. Frank asked shouldn't our own auditors note if there is a problem. Kubik told Frank that there wasn't an audit done by HBE, that was the problem. Gerlach said we do a yearly audit. The problem with last years audit, our audit HBE was not complying with state stuff. That is the issue we

had and so the state stepped in. Wilken said that was because the town was not giving HBE the right figures. Cadwell said that the books were not auditable and that is why the audit was not done by HBE. Kubik asked why that didn't throw a red flag. He says this just doesn't feel right as a citizen. This is too many red flags for the experience. Piehl asked Kubik if the state had intervened while he was on the board. Kubik said he doesn't remember that. He said the audit is nothing to fear, it is simply making sure the checks and balances are there. Piehl said that as a citizen she is concerned too, because it has happened before too. This has been several years. Meyer told Kubik that he thinks this will be a learning tool amongst all board members, future board members, and past board members. Kubik told Meyer stuff in here is not something you would learn. Meyer you have experience and you are the financial guy. I wouldn't expect to be hearing this again. Kubik told Meyer you and I have been through this for the last twenty years. We don't learn this. I look to you for experience. This happened on your watch. I am concerned about that. This is stuff that rookies do. This is not something a business owner does. I call you out on this as a board. This is incompetence. Kubik said I will go have a drink with anyone after this. We are friends, but this is a business. If this happened in a business, how many people would still have their jobs. This doesn't happen in a business. You are running our tax dollars and state funds. It is a business with electric and sewer. This is not personal. It is a business. If you don't run the numbers right, you don't get to be here anymore. You are not qualified. That is as simple as it is in my book. Piehl asked him when you got in trouble while on the board, were you still qualified. Kubik said this is a business and this is too many mistakes for experience. He said he is willing to sit down with anyone and have a conversation, but this is a business. Wilken explained to Kubik he is on the agenda. Let's wait until then to have this discussion. Kubik said he thought I was going early the way this is being directed at me.

#### **Dissolving of petty cash**

Wilken said that they recommended getting rid of the petty cash so we need to have that in the minutes. Elliott asked what the petty cash involved. Wilken said he thought that we had around \$100.00 in petty cash on hand. He said usually no one uses it. The people that pay in cash usually bring the exact amount or apply the extra to their utility account. Elliott said but when you charge for copies or things like that you need to have the ability to make change. Maybe you don't need that much in there, but you still need petty cash. Wilken said that was just a recommendation. Wilken said we can have any amount we need but it needs to be stated in the minutes. Wilkens thought \$50.00 should be fine. Gerlach though there was already an ordinance on the books regarding this, but he was going to have to dig. Gerlach asked Kubik if the previous board did you guys do anything with setting the fee schedules and having stuff on hand. Gerlach asked if it was roughly around 2015. Kubik said he can't remember exactly the year, but everything you do should be recorded in the minutes and backed up with documentation. He said certain things can be done by resolution and certain things should be done by ordinance. You have to follow the advice of your attorney. Wilken said we have to change it because we couldn't find anything. Wilken asked Bargaen if we needed a resolution or ordinance for this. Bargaen said in the minutes should be fine. Wilkens said whatever you guys recommend.

Wilkens made a motion to have 50.00 kept on hand in petty cash. Starr seconded the motion.

Aye-Meyer, Gerlach, Wilken, Starr, Piehl      Nay-None      Motion carried

#### **Bank deposits**

Wilken said the state statute states that anything over \$500.00 has to be deposited within three days. According to the audit, there were records of the deposits taking 45 days to reach the bank. Some of those deposits were over five digits. Right now, we are currently having the clerk go to the bank every day. It makes things easier. We have two locked bags and a key for the night depository. Wilkens said we need to set something. Starr said he agrees with her taking the deposits to the bank daily.

Starr made a motion for the clerk to do daily deposits. Gerlach seconded the motion.

Aye- Gerlach, Wilken, Starr, Piehl, Meyer      Nay-None      Motion carried

#### **Fixed asset inventory**

Wilken explained that anything that the village of Greenwood owns needs to be in a book. We need to set a dollar figure on items and it needs to be placed in this book. We can't find a book that has our fixed assets. This would property, buildings, trucks, etc. Starr said that Fergus has a lot of this stuff. Fergus said he has an inventory. Wilkens said all this needs to be placed in one book in the office. Elliott thought the insurance company should have that. Fergus asked if we needed to put a dollar figure on everything the village owns. Wilkens said whatever we designate the dollar figure to be has to be in this book.

Wilkens said that if it is below that dollar figure it will not need to be in that book. Frank asked if that was all departments. Wilkens said yes, it would be anything that the village of Greenwood owns. Frank asked if a twenty-dollar item would need to be placed in that book. Wilken said no not if we don't set that limit.

We could set it at \$500 or 1000. Gerlach said he vaguely remembers about fifteen years ago a file cabinet with a folder in it containing fixed assets. Wilkens said he looked and couldn't find one. He said back when he was on the board before he was unaware of one. He asked Stewart and Kubik if they were aware of a fixed asset inventory when they were on the board. He thought there was something assembled for the insurance. Wilken said regardless there needs to be a dollar figure and start our process. Starr said he thinks Fergus has a lot of that stored at the shop. Wilken said Frank can come up with a dollar figure and then come up to the office with it. Wilken said the fire department owns a few trucks and that will need to be in there as well. Piehl said she thinks the limit should be anything over \$500.00 but when it comes to the library a book is not worth \$500.00. Starr says that maybe the books could be lumped together. Krings pointed out when you figure these amounts you will want replacement cost. Fergus said the big-ticket items would be the transformers and the smaller ones would be \$400.00. Gerlach asked how we were going to assemble this. Would this be a book or an electronic copy? Piehl thought it should be both. Starr thinks that anything that costs more than \$300.00 should be listed in that book. Meyer said he wouldn't want to count all the small items. He thought anything above \$500.00. Piehl told him some of the smaller transformers cost around \$350.00. Meyer said well then \$300.00 is fine with me.

Gerlach made a motion to set the fixed asset limit at \$300.00. Starr seconded the motion.

Aye-Piehl, Meyer, Gerlach, Wilken, Starr                      Nay-None                      Motion carried

### **Unrestricted fund allocation**

Cadwell explained that this is how we allocate the money we receive from the county and how we allocate it to the various funds. We need to vote on what percentages will be allocate to what funds because we do not have it in writing. Cadwell said that right now, 49.42% going to the general fund, 7.59% going to the street fund, 21.92% going to the fire fund, 6.07% going to the rescue fund, and 15% going to the library fund. Cadwell explained that it can be kept the same way or changed it just needs to be on record how we are allocating money to these funds. Starr asked the last time this had been changed. Cadwell said she was unsure this was how it was when she started. Kubik said these amounts usually are set around the time you do your budget because that where you need your tax dollars to go. He thought this is usually done by resolution. Kubik asked before you vote will this decision impact the budget. Wilken told Kubik that the budget was not done by the village this year, we contracted with an accounting firm to have it done. Kubik asked where they put the money on the budget. Cadwell said she doesn't think leaving it as is will effect the budget. The budget is not as broken down as it has been in year prior.

Gerlach made a motion to leave the percentages where they are at for unrestricted funds. Wilken seconded the motion.

Aye-Starr, Piehl, Meyer, Gerlach, Wilken                      Nay-None                      Motion carried

### **Payroll allocation percentage**

Wilken explained this is where we need to figure out how we are allocating our payroll to different funds. Piehl asked how it was done before. Wilken said he thought that the maintenance men's payroll had been allocated to water, electric, sewer, and streets. He thought maybe a little had come out of the general fund. Cadwell said currently her payroll in allocated to the general fund. Fergus and Stewart allocated to street fund. Starr thought that this should be allocated to various different funds.

Gerlach made a motion to table this for the next meeting until all records have been reviewed. Wilkens seconded the motion.

Aye-Wilken, Starr, Piehl, Meyer, Gerlach                      Nay-None                      Motion carried

### **Recouping losses from employee wage overpayment**

Piehl said she feels that this item should be tabled until next meeting so Fiala can show where her checks were deposited and where actual money was taken out. Piehl said the auditor's report does not reflect where the bank pulled money out to correct the overpayment. Frank asked Piehl if this was during the time the village was using Paychex for payroll processing. Piehl said yes. Frank said she had also been over paid by Paychex. She then in turn had to give Paychex a check back. Frank said that Paychex had made lots of mistakes. Starr asked Fiala if she had a lot of issues with Paychex. Fiala said the only thing she did with it was enter the hours. Piehl said that both of Fiala's overpayments happened when she was on vacation. Piehl also said the Paychex pulled the overpayment from her account. Fiala never wrote them a check. Fiala said that on one of her paychecks it appeared as if over \$1000.00 had went to taxes. She knew that was an error because she didn't make that much. Gerlach said again the reason that this was in here was because documentation was missing to explain the situation. Piehl said she thought that she had sent this information over to Janssen, the state auditor. Bargaen asked if there are other instances of that where we have documentation. If there is, he would supplement the response to the auditor's office with this.

Starr made a motion to postpone recouping loss from employee over payment until we find further information. Gerlach seconded the motion.

Aye-Starr, Meyer, Gerlach, Wilken    Abstain-Piehl    Nay-None    Motion carried

### **Commercial rate over 20,000 KWH**

Wilken said software in power manager was not charging three phase consumers for anything over 20,000 KWH. Wilkens referenced the Midwest Cooperative for example, there are some months that they go over this 20,000 and they are not being charged for anything of the 20,000. Obviously, there was an error here. He said this should have been caught by looking at the bill from OPPD. McClatchy said if you know that will you recalculate their bill like you did Yoder's. Wilkens said that it has not been discussed yet, but he said he is sure that they will try. We just recognized we had a problem so this is the first time that has been discussed. McClatchy asked if Yoder was being send a bill or a refund. Wilken said it was a bill. The multiplier on his meter was 80, but recorded in the system at 10. He was not being charged correctly for the electricity he consumed. Wilken noted that his bills were less than most people's homes. McClatchy said he probably appreciated that. He said that he guessed what he tried saying was the same principal applies here whether it is Co-op or anyone else. Wilken said we have known about the Yoder's situation for a while. We have working on figuring up a bill. We had to get the electricians in her to make sure the multiplier was correct. Cadwell said that what the audit showed is that it is not reflective of the current rate. The following year electricity rates were increased by 4%. Cadwell thought it was possible that anything at 20,000 KHW and up was supposed to be at that rate, but it was written wrong. They use the ordinances to enter the rates in the computer. One of the techs even said they had never seen anyone not charge for this. Bargaen said that after 20,000 it just stops charging. Cadwell said yes, after 20,000 it has been free. Elliott asked if we know how far back this goes. Wilken said that the audit was done from Oct 1, 2016 through September 31, 2017. Starr said so the problem could have started long before that. Wilken said but how many different programs have they used during that time. Gerlach about six or eight months ago the board requested that the maintenance guys go around and do a complete audit of the meters. That is also where we found a lot of problems.

Cadwell said just to make it clear this is problem only pertains to commercial users of the three-phase electricity. Krings OPPD sends out a bill with how much is used. So, if I only for charged 20,000 there is still so wattage sitting here that hasn't been paid for, who do I go back to. She said that is common sense. Starr said that is what they kind of discussed today. How much was billed for versus how much was actually used. Krings said it is still there, we have to pay OPPD regardless, so why in the world was this not recognized sooner. Gerlach said this goes back to the accounting issues they were having in months prior. He said we have not been able to reconcile this stuff because numbers have not been matching the bank statements. We have been trying to get this stuff reconciled and that is what threw a flag up with the state auditor to find out what was going on in here. We were trying to get it resolved but couldn't get in done in time. So, the state auditor's office came in and said we will get it resolved for you. This is what they found so far. McClatchy asked how often the grain elevators went over the 20,000 KHW. Wilkens thought only two months. McClatchy asked who paid the difference. Wilken said actually the town pays the difference. It should have been caught by the town. Wilken said they are working toward a solution to get it resolved. We got to get the over 20,000 KHW corrected and get it in the minutes. Cadwell asked Bargaen if the ordinance can be revised or if we actually need a new ordinance. Bargaen said he will look at the one we have and see. He said that it could be whoever set the software up misread the ordinance. The assumption is that you don't just drop off your charges to zero at a certain point. His guess is whoever was entering it into the software did not enter it correctly. Bargaen asked if anyone knew if there had been a rate study done in the last few years. Wilken thought one had been done in 2010 or 2012. They will typically will look at rates and multipliers of that sort. They might catch some issues as well. Meyer asked if the meter reading was accurate. Wilken said it accurate but the software says anything over 20,000 is free. Wilken said the other one was billed 20,000 KHW but they actually used 23,800 KHW. McClatchy thought there might be a way that GIS could help with this issue, but found out that the contract with that company had been cancelled.

Wilkens made a motion to postpone the commercial rate change of over 20,000 KHW until after the ordinance is reviewed. Gerlach seconded the motion.

Aye-Meyer, Gerlach, Wilken, Starr, Piehl    Nay-None    Motion postponed

### **Roger Kubik concerned citizen regarding state audit report**

Kubik thanked the board for having him on the agenda tonight. He said that the board has obviously reviewed the audit report. He said that his comments are pretty much to make sure that everything is out in the open. He thinks some skill sets and some training is needed. He thinks that the board needs to take new board member classes. If you haven't taken the class and you have been on the board for two years you are late. That is a big concern to Kubik. Starr said he asked Cadwell yesterday about the class. Kubik said if you are an elected official, you need to go immediately. There are things there that you are going to learn that make you wish you were not elected. There are things you need to know. Kubik said I am not here to go after anyone and headhunt. That is not his purpose. He said the village needs to survive. He is out here as a taxpayer and hoping that we put you in charge to get things done. The checks and balances are not there. It is pretty obvious. The paperwork is not there. It is not easy to find, if it is there. This is a problem. Board members are saying it is there, but where. That follows you as a board. Wilken is new to this board. Kubik said that it was a great move to put him on the board to fill that vacancy. He has experience with this and learn where the deficiencies where. Hopefully, the election will prove to keep experienced people up here. He said he guesses there isn't much to say because we already went through it. Kubik said the board has a lot to learn. I have offered my help running meetings etc. because that is what he does for a living. I can offer advice one on one too. There are things to do. The clerk gets started and I don't know if you are aware but you have seen enough clerks go through this town, but you guys are always happy to get rid of one that you feel is overpaid. A million-dollar budget is worth a lot of money in the office, especially when you know what you guys are doing. With the board changing in and out, once you get started on the board it takes years to understand this. Kubik said this is a thankless job. They don't know how many hours you put behind that desk. Its not five hours and its not just two meetings a month. It is more like five hundred hours. He said he appreciates that and thanks them for that. These checks and balances need to be fixed. He hopes you really dig in and spend lots of hours to get these things under control. A lot of this is basic check book stuff. It is accountability. It is running a business. You guys have experience. He just thinks that some of the issues are inexcusable to some degree. He feels that the board is the accountability for the office. Kubik said he knows he was. The clerk does it wrong, whoever is there temporary, full time, or helper you are all accountable to make sure it gets done right. It is not personal, this is a business. Again, he said he is not out to get the board. He will say hi when we are mowing yards. It doesn't matter. This is a business thought and people lose their jobs over stuff like this. Hopefully, you can take this seriously and earn our trust back. I think the trust is broken at this point. Whether you meant it or not, whether you had this skill or not, the trust is still broken. Kubik said I am not out here to get you. I will help you. Kubik said he would run for office again, but he is not in town most of the time. He doesn't feel like he could be an effective member of the board. I hope someone will pick up the pace. He said he would jump back on the board if everyone in town says get back up there. He will do it if needed. He thinks that the board can do it though. Kubik pointed out that they need to work together. You can't do this solo. This town doesn't run solo and never has. We all have our niches, our families, whatever. It is what is best for the town. Send the clerk to school, put some money into her. Invest in the clerk. Kubik said if you think \$300.00 a month for benefits is good, I don't know where you guys work. He said my point is we are not paying people to stay here. This is inexcusable. You guys have to get better quick. I think you will. I think you all see what is going on and you have learned a lot. Kubik said he has been through this, but it is nothing you need to fear. He said if you need him you know where he is at. Piehl said she appreciated Kubik's comments. She wasn't aware of the classes, but thinks everyone should attend. When you say that everyone needs to be more organized, we need to know where stuff is, my question to you is how did you do it. She pointed out that it was Fiala's office every single day and then it became Cadwell's office every single day. Did you go in and reorganize everything so you know where stuff is at? The skill set that you put in the office has to have organizational skills. You will learn very quick if they can provide you with what you are asking for or they find out an answer before you ask them. You have to learn that as a board to trust them. It is usually the Chair person in there. They are going to know that right away. He referenced Cadwell, saying I don't think she knows government, but she knows books. She knows numbers, she's already there. The government part no one really knows. Kubik said he doesn't know it well because it changes all the time. Frank said this all started when we didn't have a clerk. Fiala had resigned and moved to another job. Cadwell hadn't started yet. Elliott said we are talking about 2016. Frank said no, this is when they started to do the audit from 2016. What I am saying is when they started doing the audit there was no one here to answer questions. She said there was a three-month period where there was no one in the office. She said she is not excusing anyone or blaming anyone, she is just saying they happened to come in when they

didn't have a clerk. Elliott said the office should have been assessable for anyone to come in and find what they are looking for. Board members should know where stuff is at. Kubik said as a village we failed because we allowed quality people in the office leave for a dollar more an hour. We have let good people go because we were afraid to spend a few extra dollars. What did all this cost? Just the people we let go through the maintenance program while Moll was Chairman. Nine people at \$50,000 each. Did everyone know that is what it cost to release maintenance guys and get them trained. He said that came from the Ceresco sewer and water guy. We lost \$450,000 by not treating and paying people right. We lost people to the electric system because we wouldn't pay them five dollars more an hour. Instead now we pay \$20,000 on the weekend when OPPD shows up. That might be an exaggeration, but we pay a lot of money. We had a guy here that was saving us \$5,000 on the weekend when the power went out, but we wouldn't give him a dollar more an hour. That's only \$2000 a year. Some of these financial things are our own fault. As citizens, we need to fight. We need to vote for the right people up there. We put a whole new board up there and we thought it was going to run. Piehl said you realize we doubled our electric guys salaries since we have been on the board. Kubik said he realized that, but he is trying to point out that this is a ripple effect. Frank said she appreciates that the board answered all these questions and is going to look into these things. Frank said that at the same time they started this audit, there was nobody here to answer these questions, period. Who was going to come up and answer the questions? Who could come up and get into the computer to answer these questions? Who knew where everything was filed? Frank said she didn't and there was no one else in the building. Kubik said that is right and that is why they are taking the right action by seeing if you can find stuff and sharing that with the state. Maybe saying we were between people at the time, but here are some answers. Piehl said half of this stuff we weren't even on the board for. Even when the auditor's were calling, she would have to go back and try to figure it out because she wasn't on the board for this. Kubik said we have a lot of people rotating in and out. There is a cost to it. That's why when people vote and you vote people out thinking you are saving something. What really happens is you lost anyone to lead. Now people have to relearn it. In government, it's three to five years before you get the wheel turning. You guys can start something, but it takes years to see the effects. Then you are off the board and it looks as if you didn't do anything. Then the next board gets the credit but they don't keep the wheel going. Then it stops again. This is not something that you can do overnight. You guys are learning that. Kubik said he appreciates this. It is worthless on the board. People treat you trashy. They don't think you put in time. A lot of people respect because they have been up there. They know it is a thankless job. Don't be afraid to ask those of us who have been up there before for advice. Elliott asked shouldn't the chair person know where everything is at in the office. Kubik said the clerk is responsible for the office organization. She is supposed to be able to show you if you need something. The chairperson has the master key to the computer. She is not supposed to release that unless it is to an attorney or chairman unless he is in dire need. If she is sick, he will have to get in there. She is in control. She is liable for everything in that office. That's why she is bonded to handle the money. She is in charge. Bargen said statutorily the clerk is the keeper of the records and the treasurer of the funds. He said that the League of Municipalities along with UNO has a clerk's school. One a year they offer that training. That would be a good idea for the clerk to attend. Gerlach asked how many classes the clerk had attended thus far. Cadwell said she went to a budget training and a power manger training. Elliott said she was just asking because documentation is missing. Should the chair person know when the documentation is at since he is in charge. Cadwell said that she had brought in file cabinets. Everything is labeled now, so you should be easier to find things. Elliott asked shouldn't there be a second person that knows everything the clerk knows. Elliott pointed out that Wilken wasn't on the board when there wasn't a clerk, so who was the chair person. Kubik said that as a clerk if the clerk is not getting what she needs and she is not comfortable, she needs to stop it. The clerk has full control of good, bad, and ugly. The board needs to double check that she is doing her job. She still has to say stop if she is not understanding something. She needs to contact the league or call the attorney. She still has to fix the issue. You don't let the issue carry over. One month, you are back in control or less. It gets too far out of control. Piehl said do you know how many people we contacted trying to get the issue resolved. Fiala said she met with many people trying to correct the issue. She said she also met with the accounting firm, HBE several times. It was not that we were just sitting here doing nothing. Piehl said then we found Tejral, who unfortunately probably wasn't the best decision. Piehl said but we got our audit done now. She thinks that there is a misconception that people think they had no clue what was going on. They were trying to help. It was discussed during board meetings. We discussed going to HBE and hiring other people. Elliott said this was never discussed during board meetings. Financials were never discussed. This is some of the problems that we have. Citizens were in the dark

about these matters. Piehl said that financials were put out and stated that they were not correct. We stated at the time that we were working with whoever to get the issue resolved. Piehl said she knows that she has discussed this during the board meetings being in meetings with HBE. Kubik said it is not easy. Gerlach said they actually requested HBE to be here for three separate meetings and they didn't show up at any of them. Kubik said that either way you understand that it can never go this way again. If you can't figure out something after a month, you will have to throw flags harder. It just can't go any further. This will never happen again like this and that is the lesson. Piehl said for this matter they were in contact with many people to resolve the issue. Who do call when no one is able to help. Kubik said that you don't have that many questions if you have the right skill set in the office. He said that he is sorry, but that is a blunt answer. You have to hire someone with the bookkeeping skills that doesn't need anyone. Numbers are numbers. If she wasn't getting help, she had to call out earlier if that was the issue. Kubik said he wasn't here for it. He doesn't know how it went down. He heard she didn't get help and there was conflict between the chairman and the clerk. That gets ugly. A lot of things can go wrong at that point. That's the first problem right there. As a board, when you see that happening you have to remove that chairman from that position. Piehl pointed out that happened on the previous board. Kubik said either way, it started a problem. Piehl said she just didn't want to get blamed for things she had no control of. Kubik said that he doesn't have specific dates, numbers, or counts. If Wilkens starts doing something wrong, you as a board it's four to one. He's removed from the board. You don't have to go, taking what he is giving you. There is more than one voice. Three votes wins. It's not like one guy can control the board. Kubik said it seems like it got there at times. Frank and Piehl agreed with that. Elliott said her question from before never really got answered. She asked so as Chairman are you supposed to know everything that is going in and out of her office. Wilken said he should., or at least most of it. Elliott said so that way if someone has a question, the chairman will know where it is at. Elliott said someone should take responsibility and keep an eye on what the clerk is doing. Kubik said that when he was on the board, the chairman had keys and passwords and the vice chair knew everything that he knew. If the chairman is not there, someone has to be able to fill in for him. Elliott said no one seems to know anything. Kubik said the cohesiveness when you change everybody, things get lost. Things get ugly. That's why you keep people in there that have been there for a while. The people voted and you guys got elected. It went where it went because you guys don't know. You guys were supposed to take care of this. Elliott said she remembers when the three board members were elected. There were people that were former board members and citizens that attend the meetings that tried to tell you a little bit and you did not listen. Elliott said she remembers when she could get two board members to call her back. Elliott said you have to listen to people who know what is going on. Don't shrug these people off. If you don't think they are right, at least ask someone else could they be right. She said she feels that it is very important that the board utilizes the past board members. Krings suggested that the board keep a temporary service on speed dial to help fill in. That way if you are going to go three months without anyone in the office, you will have someone there. She said they do know and you hire them. They work just like you work. Krings stated she just doesn't understand why three months went by without anyone contacting a temporary service to handle the office. Wilken said he can't answer that because he was not on the board at the time. Elliott said to Kubik, I know you have some experience here and have done a good job. Kubik said he knows that this stuff gets out dated quick. He said that things are changing all the time. He said you have to go to class, you have to read up on things, and you have to listen. He said it is a lot of hours. He said it is hard to stay up to date if you are not invested. He said good luck to the board and said he will be there if they need him. The board thanked Kubik for his input.

#### **Discussion approve/disapprove repair of transformer on Grand Street between 4<sup>th</sup> and 5<sup>th</sup> Streets**

Gerlach told Starr that it is over by his house. Gerlach said before something happens and it causes an unscheduled outage, we need to get this fixed. Wilken asked if that transformer had a concrete base. Gerlach said it's broken. Starr said that he didn't think this issue had gotten any worse, but did need to get resolved at some point. Starr said it has been like that ever since he had lived there. Fergus said he had sent out an email a few weeks back, with a list of everything that needs to be fixed. He said this issue was actually listed in the email. Piehl asked Fergus if he felt it was unsafe. Fergus said he knows that it is cracked but was unsure if it was filled with foam. Fergus said right now it is not and he didn't think we were going to have an outage because of it. Wilken said he thinks that the dirt had settled over time and then it broke. Starr said it just needs to be unhooked, put a new pad under it, and set it back down. Fergus said that the next time the line man is working he will get that issue addressed. Fergus told Starr that they have a base that is made out of fiberglass that they will be using. Fergus said he will try to have

the issue rectified this week or the next depending on the weather. Wilken asked Fergus if they had all the materials, they would need to fix the issue. Fergus said yes. He also said he would need to send out notices to all the residents that are on that electricity line. He said that he would like to do that a week in advance.

**Discussion approve/disapprove payment for Alan Grell for services during electrical outage**

Wilken said that on that Sunday that we had that power outage, Grell helped us out by trimming trees for 3 or 4 hours. He said that they are trying to get him paid for the services he provided the town. Wilken said they will ask him to submit an invoice that way there is supporting documentation. Starr said he feels that \$200 to \$300 would be appropriate figure. Grell went above and beyond to help the village. Starr said that he knows that Grell's help expedited the process of having the power restored that night. Wilken said his help saved the town time and money. McClatchey said you stated you pay your electricians double now. He asked where the electricians were that night. Wilken said our electrician works for LES. Piehl said that we don't have electricians that work full time for us. The village can not afford to pay an electrician full time. McClatchey said that he recognizes that. He said you can pay them \$40 an hour, but when he is working a regular job the village has to go without power for a long time. He said that if it wasn't for Norris power showing up, we would have gone without power for a lot longer. He said Grell would have done it, he is not trying to discredit him. He said we would have gone without power until the next day because our electrician is in Omaha working to resolve the thirty thousand people without electricity up there. He said it really doesn't matter what we pay an electrician, as long as you have someone that is reliable in that instance. Piehl asked McClatchey what his suggestion would be, because electricians have full time jobs. We can't pay an electrician full time. McClatchey asked if there was a contingency plan to go to Norris Power immediately or LES immediately. If it is on OPPD, he feels like they should be subcontracting this out. Wilken said he has another plan of attack that they have been working on. He said that Starr and him have reached out to Commonwealth and he thinks they might come on board with us. If our guys and OPPD can't do anything, we will call them. He said that this hasn't been approved by the board yet, but they have contacted them. Starr agreed that there needs to be a plan in place. McClatchey said if Norris power wouldn't have showed up, we would have been without power a lot longer. Piehl said unfortunately there are pros and cons to having our own electricity. McClatchey said that is the biggest con of the bunch. Piehl said that there are cons to it too. It generates a lot of revenue for the town. She knows that there has been a lot of discussion regarding power outages and what do you do. Wilken said one of the guys that we used to have on payroll at one time, they refused to pay more and so he left. McClatchey said that goes back to what Kubik said, how many people have moved on because of a couple dollars. Wilken also mentioned an electrician that was employed previously that they refused to give benefits to that left also.

Meyer made a motion to pay Alan Grell \$300.00 pending invoice. Starr seconded the motion.

Aye- Gerlach, Wilken, Starr, Piehl, Meyer                      Nay-None                      Motion carried

**Discussion approve/disapprove Wild Willy's Firework permit for New Year's Eve season**

Wilken said that last time they discussed lowering the rate for the season. This is the actual permit. Cadwell said he did submit proof of insurance.

Piehl made a motion to approve Wild Willy's firework permit for the New Year's Eve season as presented. Meyer seconded the motion.

Aye-Starr, Piehl, Meyer, Gerlach, Wilken                      Nay-None                      Motion carried

**Discussion approve/disapprove deadbolt security lock for council chamber/office door**

Starr said that they are going to get bids.

**Discuss approve/disapprove deep cleaning fire hall**

Mandery said she cleans the fire hall on Thursdays. She was told that someone was saying the fire hall was dirty. She feels like whatever happens after Thursday is not her fault. She said prior to this if there was an issue when Fiala was the city clerk, she would tell her. She said it wasn't multiple people telling her things. She would like someone to come to her and not talk behind her back. Gerlach told Mandery that he didn't go behind her back. Mandery asked him why he didn't come to her with the issue. Gerlach said he followed protocol. He said that protocol requires him to contact members of the personnel committee to relay the issue to them. He said that is what they have set up in the books. Starr and Piehl said they were never contacted in regard to this matter. Mandery said she wasn't contacted by anyone she heard it from other members of the community. Starr said he heard about it through Mandery. Piehl said she heard it from Fiala days later. Mandery said she heard it all over town before it was brought up to her. Mandery said it takes her two and half hours to clean that fire hall. Someone told her that there was mold

on the floor. She said that isn't mold on the floor. It is tar. She said that the bathrooms were cleaned. Gerlach said he will take her word for it. From now on if there is an issue it will be directed to Starr and Piehl. Mandery said that if there is a problem, she will correct it. She said there is tar on the floor by the mats and she tried to get it up. It will not come up. She said it just irritates her that no one came to her. She said if there is a problem it should be communicated to Cadwell. Cadwell should then relay it to Mandery. That is the way it was done before when Fiala was the city clerk. She said before she made \$12.50 an hour before she was on salary. Compared to what she was paid before she was on salary, she is now not even making minimum wage an hour. She cleans the fire hall, the community center and the park restrooms. She feels it should be \$100.00 a week instead of \$75.00. She heard that was what the original offer was, but then it was moved down to \$75.00. She said she has been here almost five years. I am getting less pay than when I started. Starr asked Mandery how many hours she puts in a week. Mandery said her puts two and a half at the firehall a week, she cleans the library once a week, does the bathrooms and floors in the community center 2-3 times a week, and that doesn't include her cleaning the park bathrooms. She said the \$12.50 she had been previously making and the reason why she was put on salary was because she was unable to work the computer to clock in. Frank said you did reviews on the maintenance men but overlooked giving Mandery a review. Piehl and Starr agreed that she needs to have a review. Mandery feels she should have been given a raise, not having her pay decreased. Gerlach said in regards to the line item here on the agenda, it was his understanding that since the replacement tile floor was put in it has never been waxed and buffed. Krings says it has been done twice. Wilkens thought that it had been done about ten years ago. Elliott said I was under the impression when people rent out the firehall they are supposed to clean up behind themselves. Mandery said her understanding is that whatever happens after she cleans on Thursday, it is not her responsibility. Gerlach asked the board if they were open to having the floors buffed and cleaned professionally. Gerlach made a motion to put post bids for cleaning and waxing the fire hall floor. Wilken seconded the motion.

Aye-Starr, Piehl, Meyer, Gerlach, Wilken

Nay-None

Motion carried

#### **Discussion approve/disapprove employee handbook**

Gerlach asked where we are at on this. He said he hasn't seen a hard copy. Starr said this had been done along time ago. Gerlach asked if there was a copy posted where he could see it. Gerlach said he has yet to see it. The reason this had been brought up again was due to something that Mack had mentioned regarding job duties and responsibilities for employees. Gerlach asked Starr would the description be a revision for the handbook. Starr didn't think so.

#### **Maintenance report approve/disapprove**

Fergus said that right now they have been cutting trees. He got concrete work on Third and Ash Streets he is trying to have completed before winter. He said that he will pour concrete tomorrow and after that the concrete jobs will be done for year. That is unless we have an emergency. Starr said that it is too cold to tar so that will have to wait until spring.

#### **Board Questions or comments**

Wilken said he would like to thank everyone that helped the night of the power outage. He knows that most of the board members where out there along with Stewart and Fergus. He also thanks Alan Grell for his help.

#### **Adjournment**

Gerlach made a motion to adjourn at 8:50pm. Wilken seconded the motion.

Aye-Piehl, Meyer, Gerlach, Wilken, Starr

Nay-None

Motion carried

