

MINUTES FOR OCTOBER 23, 2017
BOARD OF CHEROKEE COUNTY COMMISSIONERS
CHEROKEE COUNTY, KANSAS

CONVENE

Chairman Pat Collins called the regular session of the Cherokee County Board of Commissioners (The Board), to order and led all in attendance in the Pledge of Allegiance at 9:00 a.m. on Monday, October 23, 2017 in the Commission Room, #109 of the Cherokee County Courthouse located at 110 W Maple St., Columbus, Kansas. Commissioners Pat Collins, Neal Anderson, Cory Moates, County Counselor Barbara Wright, and County Clerk Rodney Edmondson were present.

Members of the press present: Larry Hiatt, and Jordan Zabel

Raven Elmore, County Treasurer, appeared before the Board regarding the agreement with DeAnn Hill. She has spoken with DeAnn and she needs more information and cooperation from the Treasurer's Office to perform the work that was outlined in her previous agreement. The Board signed the new agreement with DeAnn Hill.

A motion was made by Commissioner Moates to approve the payroll for the period ending October 13, 2017. The motion was seconded by Commissioner Anderson. The motion carried 3-0.

Louis Schreiner, County Lot Supervisor, appeared before the Board regarding county road business. Commissioner Moates reported that tires have been dumped in the ditch on SE 80th St. near Stateline Rd. Louis will send a crew to check on it. Commissioner Anderson asked him to check on tree branches overhanging at the intersection at NE 62nd St. & Parakeet Ln. Louis stated that there is an issue with the property owner of that tree. The Board asked him to have Leonard visit with the landowner and try to get it trimmed. The Board agreed to accept the KCAMP offer of \$17,500 for the wrecked dump truck. Louis stated that the tire machine is in need of repair, but he doesn't know who to contact. The Board asked him to check on the cost of a replacement machine for them to consider in January.

A motion was made by Commissioner Anderson to approve the accounts payable for the period ending October 18, 2017. The motion was seconded by Commissioner Moates. The motion carried 3-0.

A motion was made by Commissioner Anderson to approve the minutes of the October 16, 2017 BOCC meeting as written. The motion was seconded by Commissioner Moates. The motion carried 3-0.

Carey Spoon from the SEK Regional Planning Commission appeared before the Board for the purpose of conducting the public hearing for the closing of the CDBG Galena Bridge Project. Prior to the hearing, the Board discussed a CDBG application for a sidewalk project in Crestline. The Board decided to have her work with Clerk Edmondson to obtain the needed information to conduct a LMI Survey for that community and to proceed with a grant application.

Chairman Collins opened the public hearing at 10:00 a.m. for the closeout of CDBG 16-PF-014 for the Galena Bridge Project that is completed. Spoon reported that the project was completed \$28,000 under budget. The grant provided \$165,983.37 in funding while local funding amounted to \$165,983.38. She stated that there will be one more drawdown of funds in the amount of \$1,000. The Board signed the closeout documents. The Board closed the hearing at 10:08 a.m.

The Board reviewed the tentative schedule of holidays and payroll dates for 2018 as presented by Clerk Edmondson. The Board decided to meet on Friday's before a Monday holiday when approvals need to be conducted. Clerk Edmondson will have the list updated and present it for final approval at a later meeting.

The Board considered on a second read a resolution presented last week by Treasurer Elmore to establish a policy for the handling of overpayment of fees by County Offices in an amount less than \$5.00.

A motion was made by Commissioner Moates to approve Resolution 16-2017, establishing a refund policy for the overpayment of fees paid to Cherokee County Offices. The motion was seconded by Commissioner Anderson. The motion carried 3-0.

Brian Hillier, of Benefit Health Advisors, appeared before the Board regarding the county's employee health insurance.

A motion was made by Commissioner Moates for an executive session for the purpose of non-elected personnel's benefits with the Board, Counselor Wright, Clerk Edmondson, and Brian Hillier for a period of 30 minutes. The motion was seconded by Commissioner Anderson. The motion carried 3-0 at 10:17 a.m.

The meeting reconvened at 10:47 a.m.

Brian Hillier presented an overview of the employee health insurance plan. Brian stated that from a small claims point of view, the plan is running very well. He stated that catastrophic claims, those in excess of \$50,000 or so, are running very high. He has shopped our policy out in the market to obtain renewal proposals for 2018. After getting competitive bids from other companies, the current carrier Aetna came back with a revised quote for 2018 that reflects about a 5% increase in costs. He stated that the employee insurance committee met this morning, and recommends an increase to the individual deductible by \$100 across the plan. It is the recommendation of the committee to move forward with renewal of the current plan.

A motion was made by Commissioner Collins to move forward with the health insurance renewal with Meritain, Aetna, and the stop loss carrier with an increase in the individual deductible of \$100. The motion was seconded by Commissioner Anderson. The motion carried 3-0.


A motion was made by Commissioner Moates to renew the life insurance for employees at a rate pass which is guaranteed for 24 months. The motion was seconded by Commissioner Anderson. The motion carried 3-0.

A motion was made by Commissioner Moates for an attorney client executive session for contract issues with the Board, Counselor Wright, and Clerk Edmondson for a period of 10 minutes. The motion was seconded by Commissioner Anderson. The motion carried 3-0 at 11:34 a.m.

The meeting reconvened at 11:44 a.m.


Commissioner Moates made a motion to adjourn until the next regular meeting set for Monday, October 30, 2017 at 6:00 p.m. The motion was seconded by Commissioner Anderson. The motion carried 3-0 at 11:55 a.m.

ATTEST: Resolved and ordered this 30th day of October, 2017


Cherokee County Clerk


Commissioner


Commissioner


Commissioner

**DEANN AUMAN HILL, CPA
1015 MILITARY AVENUE
BAXTER SPRINGS, KANSAS 66713**

October 13, 2017

Cherokee County Commission
Courthouse
Columbus, KS

I am pleased to confirm my understanding of the nature and limitations of the services I am to provide for the Cherokee County Commission. I will apply the agreed-upon procedures specified to the 15 bank accounts for the County Treasurer's Office. This engagement is solely to assist the County Treasurer in bringing the monthly bank account reconciliations up to October 31, 2017; to also assist with complying with the Unclaimed Property requirements for outstanding checks for the same accounts. This is also subject to the action taken March, 2015 regarding the \$500 baseline set for outstanding search research/payroll checks deemed all to be turned over.

My engagement to apply the agreed-upon procedures will be in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, I make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, I am unable to complete the procedures, I will describe any restrictions on the performance of the procedures in my report, or will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination, I will not express an opinion on the bank reconciliations or the Unclaimed Property report. In addition, I have no obligation to perform any procedures beyond those listed in the attached schedule.

I will submit a report listing the procedures performed and my findings. This report is intended solely for the use of the Cherokee County

Commission, and should not be used by anyone other than these specified parties. My report will contain a paragraph indicating that had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

You are responsible for assuming all management responsibilities and for overseeing the bank reconciliation/unclaimed property process by designating an individual (Treasurer), preferably within senior management, who possess suitable skill, knowledge and experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.


I plan to begin my procedures on approximately November 6, 2017, and unless unforeseeable problems are encountered, the engagement should be completed by March 31, 2018.

I estimate my fees for the services in the attached schedule to be \$ 3,500 for the Unclaimed Property report; 14.85 years of bank reconciliations at \$3,000 each. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs. My invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with my firm policies, work may be suspended if your account become 45 days or more overdue and will not be resumed until your account is paid in full. If I elect to terminate my services for nonpayment, my engagement will be deemed to have been completed upon written notification of termination even if I have not completed my report. You will be obligated to compensate me for all time expended and to reimburse me for all out of pocket expenditures through the date of termination.

I appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you agree with the terms of our engagement as described in this letter, please sign and return it to me. If the need for additional procedures arises, my agreement with you will need to be revised. It is customary for me to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, I will require that they acknowledge in writing their responsibility for the sufficiency of the procedures.

Sincerely,

DeAnn Auman Hill, CPA



For the Cherokee County Commission

Oct. 23 2017
Date

Schedule of Procedures:

1. Complete the Unclaimed Property report for the State Treasurer's Office for 2003-2016 (years required by law only)
2. Reconcile bank statements on 15 accounts for 2003-October 2017. This will include adjusting journal entries required for all differences due to \$500 unclaimed property/payroll methodology approved by the Cherokee County Commission March, 2015. This will also include any unlocated differences due to Cherokee County Treasurer's lack of documentation for outstanding deposits/checks.

Background on circumstances of proposal:

Upon the Treasurer transition in 2001 (per Treasurer Office personnel) it was noted that check registers did not agree (check #) with the actual document in some circumstances. This was associated with a printer going offline and using preprinted check with check numbers assigned to computer generation of check numbers. The Treasurer's Office was also maintaining a handwritten record of checks written. Reliance of bank records, etc. was placed on the handwritten record at that time. Bank reconciliations were suspended. Several times over the last 15 years all bank accounts have been closed and reopened to attempt to account for the issues. Bank reconciliations were not performed during any of these years.

In 2013 and 2014 a CPA firm from Topeka, KS was brought in to perform agreed upon procedures to review the process. Their reports issued were inconclusive due to the above issues. The reconciliations were still not

being performed, nor prior years issues resolved. In 2015 I was contacted by the Commission to discuss possible solutions to the above issues. I met with the Treasurer's Office in late 2015 and early 2016. A plan was established with the Commission to bring the County in to compliance with the unclaimed property law; also, to address the bank reconciliation issues. The Treasurer's Office was to investigate all outstanding checks as agreed to by the Commission (one's subject to the Unclaimed Property Law). After that investigation, an initial unclaimed property submission would be made to the Kansas State Treasurer's Office. The investigation of the checks was never performed by the Treasurer's Office.

Due to difficulties with me acquiring records needed to begin the bank reconciliation process directly from the Treasurer's Office, Commissioner Myers intervened and supplied my office (late April 2016) with the bank statements (copies) for 2001 to 2014. Bank ledgers out of the system were also to be supplied. The ledgers out of the system were not adequate for the process.

The annual audit performed by a Joplin, Missouri firm has cited the above issues for many years. I have been in contact with the firm over the last couple of years. There is much concern the journal entries generated by the auditors each year is not being posted to the Cherokee County accounting system. The firm was also consulted regarding the transition of the Treasurer's Office. It is their opinion the bank reconciliation work should be a top priority for the transition.

Due to the transition of the Treasurer's Office, it is my opinion, the barriers to completion of the proposal will be removed. The new Treasurer has closed all accounts and reopened. Therefore, the work will be performed on the prior accounts only. This will allow the work to progress without interference in their day to day activities, monthly reconciliations going forward during the process. I will be asking for electronic access to the closed accounts (with appropriate security parameters).

CHEROKEE COUNTY, KANSAS

Resolution No. 16-2017

A RESOLUTION SETTING A REFUND POLICY FOR THE OVERPAYMENT OF FEES PAID TO CHEROKEE COUNTY OFFICES

WHEREAS, pursuant to KSA 19-101, the Board of County Commissioners is authorized to do all acts in relation to the necessary exercise of its administrative powers and to exercise powers of home rule granted by KSA 19-101a; and

WHEREAS, pursuant to KSA 19-101a, the Board may perform all powers of local legislation and administration it deems appropriate; and

WHEREAS, the cost of processing reimbursement checks for overpayments and obligations due by Cherokee County, Kansas, to third parties has increased in recent years; and

WHEREAS, the Board of County Commissioners has a duty to reduce cost and effect savings wherever reasonable in the administration of finances and expenditures; and

WHEREAS, the Board of County Commissioners of Cherokee County, Kansas, has determined that it is in the best interest of Cherokee County to eliminate payments wherein the cost are greater than the benefit received by the recipient of the distributions.

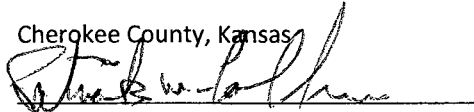
NOW, THEREFORE, IT IS BY THE BOARD OF COUNTY COMMISSIONERS OF CHEROKEE COUNTY, KANSAS, RESOLVED, that the offices, employees and elected officials of Cherokee County, Kansas, will no longer issue and/or provide reimbursement of expenditures in the form of checks, drafts, or others orders drawn for presentation to its official bank when the amount of this reimbursement or return of funds is at any one time less than Five Dollars (\$5.00) in value. No checks, drafts or money orders will be paid back to any person, business entity, or requesting party without specific voucher and authorization of the Board of County Commissioners, it said sum total Five Dollars (\$5.00) or less in value.

This Resolution shall be effective upon publication in the official county newspaper.

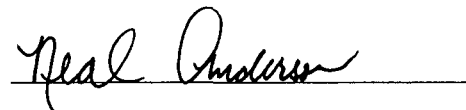
APPROVED by the Board of County Commissioners of Cherokee County, Kansas, on this 23 day of October, 2017.

Board of County Commissioners

Cherokee County, Kansas



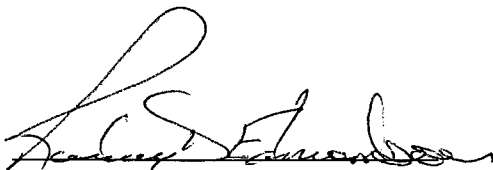
Patrick Collins, Chairman



Neal Anderson, Commissioner



Cory Moates, Commissioner



Rodney Edmondson
Cherokee County Clerk

