



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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August 2, 2013

Dawanna Greeley, Board Secretary/Treasurer
Village of Hamlet
35290 Highway 6A
Hamlet, NE 69040

Dear Ms. Greeley:

As you know, the Auditor of Public Accounts (APA) has a toll-free number and an anonymous email for Nebraskans to raise issues about possible waste, mismanagement, or fraud within government. In connection with this, we help to provide accurate information to taxpayers and attempt to correct misperceptions the taxpayers may have about government. We try to do this in a timely manner and believe this is a valuable service to the State's taxpayers.

In response to a recent citizen complaint regarding the operations of the Village Board (Board), the APA performed limited preliminary planning work to determine if a financial audit or an attestation of the Village of Hamlet (Village) would be necessary.

We contacted the Board Chairman, requesting meeting minutes, bank statements, and accounting records for the period October 2011 to present – all of which were provided. After evaluating that information, we have determined that neither an audit nor an attestation of the Village, by the APA, is necessary at this time. However, during the course of our preliminary work, we noted certain internal control or compliance matters, related to the activities of the Village or other operational matters that are presented below. The comments and recommendations, which have been discussed with the appropriate members of the Board, are intended to improve internal control or result in other operating efficiencies.

Our consideration of internal control was for the limited purpose described in the second paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

Draft copies of this letter were furnished to the Board to provide them an opportunity to review the letter and to respond to the comment and recommendation included in this letter. The formal response received has been incorporated into this letter. The response has been objectively evaluated and recognized, as appropriate, in the letter. A response that indicates corrective action has been taken was not verified at this time.

Publication of Claims

From September 2012 until April 2013, the Board meeting minutes did not include any detail on the claims submitted and paid by the Village. The following are examples of how the meeting minutes recorded the payment of bills.

VILLAGE OF HAMLET MINUTES 1-8-13

MEETING WAS CALLED TO ORDER BY MAYOR M. COOPER. ALL BOARD MEMBERS WERE PRESENT.

G.GREELEY MADE MOTION TO APPROVE ALL MINUTES. D. MILLER SECONDED.

F.MATTI MADE MOTION TO PAY ALL BILLS TOTALING \$5,385.09. D. MILLER SECONDED.

THEN BANK STATEMENTS WERE READ & APPROVED WITH BOARD MEMBERS INITIALING EACH ONE.

MOTION WAS MADE BY F. MATTI TO PAY ALL BILLS TOTALING \$809.03. D.MILLER SECONDED.

In April 2013, a citizen requested a listing of all bills paid by the Board each month. Since that time, the minutes have included such listings, as follows:

THEN THE MEETING WAS STARTED WITH FIN. HOUSEKEEPING . STARTED WITH BANK BALANCES OF HWY ALLOCATIONS, \$13,864.64 WHICH THIS BALANCE DID INCLUDE A DEPOSIT OF \$958.23, IN THE GEN. FUND WAS A BALANCE OF \$3,125.82 WHICH DID INCLUDE A DEPOSIT OF \$994.23 FROM HAYES CO. TREAS. FOR TAXES. THE CD BALANCE IS \$15,675.26 AS OF 5-22-13 , MATURITY IS JUNE 11, 2013. IT WAS DECIDED TO RENEW FOR 6.MO. THIS TIME . THEN ALL THE BILLS TO BE PAID IN JUNE WERE AS FOLLOWS:RICHARDS GRAVEL PIT FOR 92 T. GRAVEL FOR ARMOR COATING \$1,000.00. REIMBURSE M.COOPER , PAINT ON BARRELS USED AT INTERSECTION & 9 V. BATTERY FOR SIREN @ MENARDS FOR A TOTAL OF \$28.10. SWPPD : SIREN \$46.73, ST. LIGHTS \$192.00, PARK PUMP \$22.00 . G.GREELEY MOWING & CLEANING INTERSECTION , MAIN & RUTHEFORD 26 HRS. \$260.00 ,D. GREELEY MOWING PARK & P.O. LAWN ON THE 6TH & THE 21ST OF MAY .,\$120.00, SEC/TREAS DUTIES \$ 125.00. G. GREELEY MADE MOTION TO PAY ALL BILLS , D. MILLER SECONDED. ALL AYE.

The Board appears to be unaware of Neb. Rev. Stat. § 19-1102 (Reissue 2012), which requires each village clerk to publish the official proceedings of the governing body, including specific details about each claim approved. That statute says, in relevant part:

It shall be the duty of each village or city clerk in every village or city having a population of not more than one hundred thousand to prepare and publish the official proceedings of the village or city board, council, or commission within thirty days after any meeting of the board, council, or commission. The publication shall be in a newspaper of general circulation in the village or city, shall set forth a statement of the proceedings of the meeting, and shall also include the amount of each claim allowed, the purpose of the claim, and the name of the claimant, except that the aggregate amount of all payroll claims may be included as one item.

We recommend the Board publish the amount, purpose, and name of claimant for each claim allowed, as specified by statute.

Village Response: Each one of the Village Board members have read the draft copy & have all agreed on how each one voted & what changes will be made as follows: minutes of the meetings have never been published in any newspaper, but have been posted locally every month. Corrections will be made & minutes will be published in Times Republican at Hayes Center, NE every mo. [sic]

Compliance with Open Meetings Act

Beginning in August 2012, the Village Board failed to comply with certain provisions of the Open Meetings Act, which can be found at Neb. Rev. Stat. §§ 84-1407 to 84-1414 (Reissue 2008, Cum. Supp. 2012, 2013 Neb. Laws LB 510, § 1).

At its August 2012 Board meeting, the Secretary/Treasurer of the Village resigned her position. A new secretary/treasurer was not hired until December 2012, following the November elections. It is possible that such sudden employee turnover contributed to the Board's failure to comply with the Open Meetings Act in the following particulars:

Not all of the meeting minutes indicated that the public was informed, at the beginning of each meeting, about the location of the posting of a current copy of the Open Meetings Act, in accordance with § 84-1412(8). That statute requires:

Public bodies shall make available at the meeting or the instate location for a telephone conference call or videoconference, for examination and copying by members of the public, at least one copy of all reproducible written material to be discussed at an open meeting. Public bodies shall make available at least one current copy of the Open Meetings Act posted in the meeting room at a location accessible to members of the public. At the beginning of the meeting, the public shall be informed about the location of the posted information.

The following is an example of the noncompliant meeting minutes:

Village of Hamlet Minutes 12/3/2012

Meeting was called to order at 7:30 P.M. by Mayor, M. Cooper. All board member were present. Karlene Cooper was the guest. D. Miller made a motion and G. Greeley seconded to accept the minutes of the last meeting in Nov. 2012.

However, it appears the Village has been complying with § 84-1412(8) by including a reference to the Open Meetings Act in its meeting minutes since, at least, January 24, 2013. See example, below:

VILLAGE OF HAMLET SPECIAL MEETING
1/24/2013
MEETING WAS CALLED TO ORDER @ 7:00 P.M. BY
MAYOR M.COOPER. OPEN MEETING'S ACT WAS
ADDRESSED BY M.COOPER. ROLL CALL/PRESENT
M.COOPER, G.GREELEY, D.MILLER, F. MATTI, &
D.GREELEY. GUESTS WERE KARLEEN COOPER,
HARLAN & SAN-D NOLTE.

It is unclear whether "the substance of all matters discussed" has been appropriately recorded in the Board meeting minutes, in accordance with § 84-1413(1), which states:

Each public body shall keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed.

The official record of the Board's actions with regard to the demolition of the Community Building offers one such example. After storms severely damaged the Community Building in June 2011, meeting minutes periodically included discussions regarding the fate of the Community Building, as follows:

Board Meeting Date	Meeting Minutes Discussions
October 2011	Two board members met with the FEMA officials. The board members received information on the requirements should assistance from FEMA be requested to repair the Community Building.
November 2011	A short discussion was held regarding the relationship with NEMA and FEMA in regard to the Community Building. Motion was passed to cease contact with FEMA regarding the Community Building and any repairs. Minutes indicated that the Clerk would contact the Nebraska State Historical Registry office to ask about the protocol for what they need to do to destroy the building.
December 2011	Insurance on the Community Building was dropped and Wauneta Coe was contacted to pick up the propane tank from the Community Building.
January 2012	Discussion concerning turning off the electricity in the Community Building.
July 2012	A short discussion was held regarding a sealed bid auction of the contents of the Community Building. Also discussed burning down the building.
August 2012	Sealed bids for the Community Building contents were opened. Top bids were accepted. Minutes also include a discussion about hiring someone to bring down the Community Building and haul it away.
September 2012	Board decided to consult with Mr. Bishop and Baxter Concrete about tearing down the Community Building and trucking the remains away.
October 2012	Board discussed the proposal by Alan Bishop to tear down the Community Building and haul the debris away.
December 2012	Discussion regarding removing the town hall building. Chairman is going to talk to Kelly Doetker about getting a fixed price on removing it. A motion was made to get the lowest price from Kelly to do the job.

In September 2011, an application for assistance was actually made to the Nebraska Emergency Management Agency (NEMA) to restore the Community building to its pre-disaster condition. The Federal funds, in the amount of \$31,242.87, were received in January 2013 for this specific project; however, the Village returned all of the money back to NEMA in April 2013, as they chose to demolish the building, which did not meet the scope of the work on the application to NEMA for the grant funds. In the same month the Village received the NEMA money, January 2013, the Board paid to have a vendor demolish and remove the old Community Building for \$4,500. Per discussion with the Board Secretary/Treasurer, the Village has no policies or ordinances regarding purchasing or the use of competitive bidding.

Despite the activity noted above, the January 2013 meeting minutes did not include an approval of the agreement or claim to the vendor and did not otherwise include any discussion of the services provided by the vendor. See below for the January 8, 2013, meeting minutes:

VILLAGE OF HAMLET MINUTES 1-8-13

MEETING WAS CALLED TO ORDER BY MAYOR M. COOPER. ALL BOARD MEMBERS WERE PRESENT.

G.GREELEY MADE MOTION TO APPROVE ALL MINUTES. D. MILLER SECONDED.

F.MATTI MADE MOTION TO PAY ALL BILLS TOTALING \$5,385.09. D. MILLER SECONDED.

THE SIREN WILL BE DISCUSSED AT A LATER DATE.

DUE TO WEATHER CONDITIONS THE MEETING WAS CALLED EARLY. G. GREELEY MADE MOTION TO END THE MEETING. D. MILLER SECONDED.

MEETING ADJOURNED @ 7:55 P.M.

MINUTES BY D. GREELEY

PLEASE LEAVE MINUTES AS POSTED !

Therefore, it appears that the substance of all matters discussed has not been appropriately documented in the meeting minutes.

The votes of each member for all duly moved and seconded motions were not always recorded in the meeting minutes in accordance with § 84-1413(2). That statute provides, in relevant part:

Any action taken on any question or motion duly moved and seconded shall be by roll call vote of the public body in open session, and the record shall state how each member voted or if the member was absent or not voting.

The following are a few examples of the failure to record Board member votes:

June 3, 2013:

THEN THE OLD TOWN HALL PROJECT WAS DISCUSSED. MIKE BISHOP HAD OFFERED OF USE FILL DIRT FROM HWY CONST. CREW OFF THE SIDE OF THE HWY AT NO CHARGE, & WILL HAUL IT TO THE TOWN SITE. WE WOULD FILL IT UP & SEED IT. D. MILLER MADE MOTION TO DO SO & F. MATTI 2ND.

April 1, 2013:

NEXT, WAS FINANCIAL HOUSEKEEPING. D. GREELEY READ ALL BILLS TO BE PAID IN APRIL. ALSO READ AMOUNTS OF BANK STATEMENTS OF CD'S, SAVINGS, GEN- FUNDS, HWY ALLOCATION FUNDS, WITH THE TOWN BOARD INITIALING ALL OF THEM. DISCUSSED THE FEDERAL FUNDS FROM NEMA THAT HAD BEEN DIRECT DEPOSITED TO VALLEY BANK & TRUST (OUR BANK) @ WAUNETA, NE IN FEB. 2013. NO ONE EVEN KNEW THE LARGE DEPOSIT OF \$31,998.87 WAS EVEN THERE UNTIL CHAIRMAN COOPER RECEIVED A LETTER FROM NEMA ABOUT THE MONEY DEPOSIT FOR THE TOWN. HE, IN TURN TOLD THEM THAT THE TOWN HALL WAS NO LONGER HERE, WHICH THE MONEY WAS INTENDED FOR. THEY TOLD HIM TO JUST KEEP THE MONEY UNTIL THEY DECIDED WHAT THEY WERE GOING TO DO ABOUT THIS. SO ON APRIL 1, 2013 M. COOPER RECEIVED A LETTER FROM NEMA STATING TO RETURN ALL THE MONEY TO THEM. SO, CHAIRMAN COOPER & D. GREELEY SEC/TREAS WENT TO WAUNETA VALLEY BANK TRUST & ASK BARB SMITH (EMPLOYEE) TO MAKE US A CERTIFIED CHECK FOR THE AMOUNT WE WERE RETURNING TO NEMA & SHE DID & GAVE US AN ENVELOPE TO MAIL THE CHECK TO THEM THAT AFTERNOON, SO THE MONEY WAS RETURNED. A MOTION BY F. MATTI WAS MADE TO ACCEPT THIS & SECONDED BY D.MILLER. THEN F. MATTI MADE MOTION TO ADJOURN THE MEETING & D. MILLER SECONDED.

In addition to violating State law, failure to include in the meeting minutes both the substance of all matters discussed and a complete record of proper roll call votes could lead to the perception that the Village lacks transparency and accountability to its citizens.

We recommend the Village implement procedures to ensure all Open Meeting Act requirements are followed. The Village should also review the Attorney General's website at http://www.ago.ne.gov/public_records/open_meetings_act to review the specific requirements and discussion of the Act.

Village Response: A current copy of OMA has been displayed at all meetings for the last several years & has always been pointed out, some minutes may have failed to say so tho, but never has it been ignored. Future minutes will say so.

* * * * *

The Board should take, in a timely fashion, whatever action it deems appropriate to address and resolve the issues addressed in this letter – thereby, ensuring compliance with applicable Nebraska laws and providing transparency and accountability for its citizens.

Our planning and procedures are designed primarily on a test basis and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. Our objective is, however, to use our knowledge of the Village and its interaction with other entities gained during our work to make comments and suggestions that we hope will be useful to the Village.

This letter is intended solely for the information and use of the Village and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a matter of public record and its distribution is not limited.

If you have any questions regarding the above information, please contact our office.

Sincerely,

SIGNED ORIGINAL ON FILE

Mike Foley
State Auditor

cc: Village Board members