

Logan County Commissioners Work Session
August 13, 2024

Present: Mike Brownell, Joe McBride, Jerry Sonnenberg, Alan Samber, Scott Szabo, Michelle Sharp, Jim Yahn, Rick Cullip, Kristan Lange, Debbie Unrein, Marilee Johnson, Jeff Rice and Jennifer Crow.

Chairman Brownell called the meeting to order at 9:00 a.m.

APPROVAL OF MINUTES FROM PREVIOUS SESSION – Commissioner McBride moved to approve the minutes of August 6, 2024 as written. Commissioner Sonnenberg seconded, and the motion carried, 3-0.

REVISIONS TO THE WORK SESSION AGENDA – None.

REVIEW AND APPROVE SCHEDULE OF COUNTY BILLS – The Board met with Kristan Lange to review the Logan County schedule of bills dated August 13, 2024. All bills were approved as presented.

EARLY CHILDHOOD COUNCIL, COLORADO DEPARTMENT OF EARLY CHILDHOOD PRESCHOOL DEVELOPMENT GRANT - Michelle Sharp, Executive Director of the Early Childhood Council, met with the Board. Jim Yahn, 2024 Logan County Commissioner candidate also joined the meeting. Sharp gave the Board a background and history of the council. In 2022, they applied for and became the local coordinating organization for the Colorado Universal Preschool Program. There is an Early Childhood Council that serves every county. They are the only group of organizations that do that in the state. To become an Early Childhood Council, you must have the blessing of the county commissioners.

Sharp thanked the Board for all of the years of funding through TANF that they have gotten. This helps them to recruit new childcare providers and provide their support and training. However, Sharp reported that they are losing childcare providers at a substantial rate. When she took over running the council in 2014, there were over 40 licensed providers in the Tri-county area which includes Logan, Phillips and Sedgwick Counties. They are now down to 29 providers according to her current reports.

It requires a lot to become a licensed provider. Licensing training requires mandatory 15 training hours on top of all of their other training hours. Early Childhood Council provides support to childcare providers and does training through the school year and holds a conference in January.

They are hosting an event next Monday with the Colorado Department of Early Childhood from 10 am to 2 pm. They're coming out to talk about the needs assessment and then they will do some strategic planning. Ms. Sharp invited the Board to attend and participate. They are looking for new board members. One of their Board members needs to be from the government sector. Commissioner Brownell said that he would attend the meeting Monday. Commissioner Sonnenberg will tentatively put the meeting on his schedule.

Ms. Sharp discussed the law that allows licensed childcare providers to watch four unrelated children or two children of their own and two more children. Different scenarios were discussed where churches and Family Resource Center meetings had discussed childcare that had more children together.

LAUER, SZABO AND ASSOCIATES 2023 AUDIT REVIEW – Scott Szabo of Lauer, Szabo and Associates met with the Board. He referenced a handout that he had prepared for the Board. Szabo mentioned pages 4-11 which is management's discussion and analysis which Debbie Unrein prepares. This year was the final spend-down of the Covid monies. This year they had to audit three federal programs. There were no concerns whatsoever.

Historically, it had been one program and most of the time it's at Human Services. They are required to audit the TANF program and some of those larger ones this year with the run out of the Covid money. The bridge grant that was one million plus dollars they were also required to audit. The threshold is any program that is \$750,000 or over. They are raising it to \$1,000,000 in a year or so unless it has been audited in the last two years.

Summarizing the 2023 numbers, the cash and investment balances, Human Services is at \$1.6 million, a year ago it was \$2.7 million. The reason was their big behavioral grant the prior year. It was a state fiscal year grant, so the money came in in June of 2022. They had not spent it in 2022 but spent in 2023. The cash decrease is seen when it is spent. They actually had to return \$700,000 - \$800,000 back to the feds because they didn't have it spent by the end of June. In the far-right column, the cash going up, \$950,000, last year it went down the million as they spent it out and returned the funds. Human Services is a fund that historically pretty much stays the same. It may go up a little or go down a little depending upon the funding and the mill levies.

In the fourth column under change, the General Fund cash went down, and the Road and Bridge Fund cash went down. The main reason for that is all of the grants that were advanced. The money was spent, and they are reimbursement grants. The money was spent in 2023, and it might be March, April or June 2024 before you get reimbursement.

The Ambulance Fund did go down \$25,000. Logan County did not have any money that they subsidized that fund with last year. That was the first year in awhile that it was not subsidized. The fund balance only went down about \$3,000. The difference is money that comes in from Medicare and Medicaid and insurance companies. There was a decline in cash but not really a decline in fund balance.

Overall, the county's cash is sitting at \$34.5 million, obviously very good, healthy reserves. It went down \$1.1 million in 2023; but it went up \$3.3 million in the prior year. Over the two-year window, everything looks fine, there are no concerns there at all. Generally, the fund balance chart mirrors the cash balance chart. However, the cash balance shows that the Covid monies that were coming over from the prior years and the water district monies came in and some grant monies that were reimbursed after the end of the year. He wanted to explain that it looks odd that the cash might go down and the fund balance might go up, but there is a reason for it.

Exhibit II in the audit is a fund balance history. In 2018 the General Fund fund balance was \$6.5 million. In 2023 it's up to \$14 million. In the Road and Bridge Fund the trend is the same. The fund balance will go up and down, depending upon whether or not there is a big road project going on. It's nice to see the earmarked funds there for Road and Bridge. The last one is for the Human Services Fund. The trend with that fund over the years, has been a slight decline as services continue to increase, with more and more utilization of the benefit programs, the county's local match goes up. With \$1.2 million in fund balance, there are no concerns at all. From a finance standpoint, everything is great. There are no concerns federally with the audit.

Mr. Szabo stated his thanks to Debbie Unrein and her staff and to Karen Milner and the Human Services staff. If you don't have a good staff, it can make an audit of this type very, very difficult. Szabo noted this is one of the cleanest audits that they do.

Commissioner Sonnenberg asked about the letter in the audit that discusses significant risks. Mr. Szabo stated that the letter is included with the audit because their standards require risks to be communicated. Revenue recognition is one of them, management override controls is another. It's a boilerplate letter and is included in every audit that they do now. They are explaining the risks, and that a good set of internal controls is necessary at the county level, which you do have. No matter how good your controls are, there's always a risk that somebody

can override them and not follow them. Two people might try to collude together. We're just communicating that those are some of the risks that you need to be aware of. The auditors are your last line of defense and rely on you and your controls to catch those kinds of things. Obviously, they are looking for those, but they don't look at every single transaction or everything that goes on. It was new this year that auditors had to start communicating these risks. The risks have always been there, they are just now required to communicate about them.

County governments are good in that they have all of the elected officials that work independently of each other, the Sheriff, the Commissioners, the Treasurer, all those layers watching over each other. The city has the city manager that's over everybody.

PURCHASE REQUISITION RECOMMENDATIONS – Chairman Brownell mentioned that Debbie Unrein will be sending out some recommendations on the purchase requisitions. She would like the Board to look them over and get with her and decide what they would like to do.

EMPLOYEE FUNERAL POLICY – Commissioner Sonnenberg discussed the recent death of a former long-time employee, and allowing county employees who want to attend the funeral to attend without making them use their PTO. In this case, the employee was a former Road and Bridge employee and had retired one month prior to his death. The funeral will be held on Friday. Road and Bridge employees will be able to attend as they do not work on Fridays due to working four, ten-hour days. Commissioner Sonnenberg would like to encourage other employees to go to the funeral if they wish to go and not make them take their PTO to do that.

The Board discussed whether a future policy of allowing the offices or the entire county to close for the funeral of a county employee that dies while employed was necessary. The leave would be reported as other leave. Elected Officials can close their offices at their discretion. Law enforcement will sometimes send deputies to a funeral if an officer dies in the line of duty as a representative of the department.

The Board agreed that employees could attend the funeral and dinner for Harold Unrein and record their leave in the "Other Leave" column.

Chairman Brownell relayed to the Board that Paula Bjerke had requested that she be allowed to purchase a tree with the funds that she would have used for Harold Unrein's retirement party since they did not get to have his retirement party. The Board also discussed a memorial bench at the fairgrounds or a memorial fence plaque. Commissioner Sonnenberg will email Paula.

MARILEE JOHNSON RESIGNATION FROM FAIR BOARD – The Board has received Marilee Johnson's resignation from the Fair Board. Marilee does have someone on the Fair Board who has expressed interest in her position. Marilee has sent Guy McEndaffer copies of some of the prior contracts to give him an idea of what that side of it takes. She has her notes and files and will pass those along to the new person and will help in an advisory position as much as she can, she just does not want full responsibility anymore. Guy McEndaffer also met and talked with Fran Romeo, our talent buyer at the concert this year. They talked about the transition, and it was explained that we will start putting out offers to entertainers. They are going to get on a call together soon, with Marilee sitting in on the call.

There being no further business to come before the Board, the meeting was adjourned at 10:02 a.m.