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David A. Vaudt, CPA
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NEWS RELEASE

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FOR RELEASE _____ June 19, 2006 _____

Auditor of State David A. Vaudt today released a report on the Great River Regional Waste Authority (Authority) for the period July 1, 2002 through June 30, 2003. The report also covered certain items to determine practices applicable to the years ended June 30, 2004 and 2005. The review was performed as a result of a citizens' petition for reaudit and at the request of the Iowa Attorney General.

Vaudt reported \$19,550.14 of improper disbursements, \$475,965.84 of questionable disbursements and \$120,656.67 of unsupported disbursements. In addition, Vaudt identified \$294.25 of disbursements that may not meet the test of public purpose.

The improper disbursements included \$13,935.20 of unapproved vacation payouts to the Authority's Director and Marketing Specialist. Vaudt reported the unsupported disbursements included \$47,009.43 of charges incurred on a MasterCard and VISA issued in the Authority's name.

Vaudt also reported \$44,774.30 of questionable disbursements were made to the wife of Commission Member Marc Lindeen. The Commission purchased 8,952.86 tons of dirt from Maureen Walsh for use in the Authority's organic recycling program. The Authority did not obtain bids prior to the purchases to ensure a competitive price was paid and to ensure a conflict of interest did not occur. In addition, questionable disbursements included \$431,191.54 to Sinn Truck Line, Inc., the former employer of the Authority's Director. Of that amount, \$165,295.92 was for the transportation of dirt for the organic recycling program and \$173,311.58 was for the transportation of organic recycling products to retailers. Competitive bids were not obtained for these services.

A copy of the report has been filed with the Lee County Attorney, the Iowa Attorney General and the Division of Criminal Investigation. Copies of the report are available for review in the Office of Auditor of State and in the Authority's office. The report is also available for review on the Auditor of State's web site at <http://auditor.iowa.gov/specials/specials.htm>.

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**GREAT RIVER REGIONAL WASTE AUTHORITY
AUDITOR OF STATE'S REPORT**

**FOR THE PERIOD
JULY 1, 2002 THROUGH JUNE 30, 2003
AND
SELECTED ACTIVITY THROUGH JUNE 30, 2005**

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Great River Regional Waste Authority

Officials

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Steve Ireland	Chairperson	City of Fort Madison
Marc Lindeen	Vice Chairperson	Henry County
Susan Dunek	Commissioner	City of Keokuk
Bob Woodruff	Commissioner	Lee County

Great River Regional Waste Authority



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Auditor of State's Report

To the Commission Members of the
Great River Regional Waste Authority:

We received a citizens' petition request to perform a reaudit of the Great River Regional Waste Authority, (Authority) pursuant to Chapter 11.6(4)(c) of the *Code of Iowa*. We also received a request from the Attorney General's Office to review certain aspects of the Authority's operations. As a result, we reviewed the report and workpapers prepared by the Authority's independent auditing firm for the fiscal year ended June 30, 2003.

Based on the information available, we determined a partial reaudit and certain additional procedures were necessary in order to further investigate specific issues brought to our attention. Accordingly, we have applied certain tests and procedures to selected accounting records and related information of the Great River Regional Waste Authority for the period July 1, 2002 through June 30, 2003. Tests and procedures were also performed for certain items applicable to the years ended June 30, 2004 and 2005. Based on the information available, we performed the following procedures:

1. Reviewed internal controls at the Authority to determine whether adequate policies and procedures were in place.
2. Inquired whether the Authority has a policy establishing the waste management fee and the purpose(s) for which the fee may be used.
3. Examined Authority waste management fee billings and collections and procedures for monitoring delinquent accounts.
4. Reviewed the Authority's policies, controls and use of credit cards and examined disbursements to credit card companies for propriety and supporting documentation.
5. Examined certain Authority expenditures and related documentation for proper approval, support, cancellation, countersignature, endorsement and public purpose.
6. Examined all payments and travel expenses for certain officials and employees for propriety and proper documentation.
7. Examined selected payroll, timesheets and overtime and other salary and benefits paid to certain employees.
8. Inquired about business transactions between the Authority and Authority officials and employees. We also examined transactions for potential conflicts of interest with certain vendors.
9. Inquired whether the Authority had a policy regarding nepotism. We also inquired whether there were relatives of Authority officials or employees working for the Authority. We reviewed the Authority's personnel policies and reviewed selected payroll records for payments to relatives of Authority officials or employees and the Authority's minutes record for approving their hiring and salary for compliance with Chapter 71 of the *Code of Iowa*.

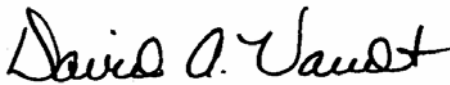
10. Inquired whether the Authority has a policy pertaining to the use of Authority-owned cellular phones and examined cellular phone bills for propriety.
11. Examined selected transfers for approval and propriety.
12. Examined compliance with the competitive bidding requirements pertaining to audit procurement found in Chapter 11 of the *Code of Iowa*.
13. Examined the propriety of the Authority's investment in zero coupon bond principal and interest strips and compliance with requirements pertaining to financial assurance and solid waste tonnage fees.
14. Inquired whether the Authority has a policy for compliance with Chapter 22 of the *Code of Iowa*, also known as the public records law.
15. Examined documentation pertaining to the purchase of bagging equipment and an agreement with Phillips Pallets. We also examined procedures and transactions pertaining to the Compost Building Project.

These procedures identified transactions that occurred between the Authority and parties related to Authority employees and officials. The procedures also identified \$19,550.14 of improper disbursements, \$475,965.84 of questionable disbursements, \$120,565.67 of unsupported disbursements and \$294.25 of disbursements that may not meet the test of public purpose. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** through **C** of this report. Based on our findings and observations, we have various recommendations for the Authority. Our recommendations and the instances of non-compliance identified are described in the Detailed Findings of this report.

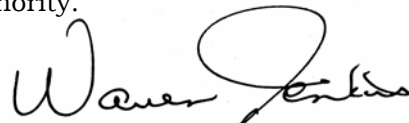
The procedures described above do not constitute an audit of financial statements made in accordance with U.S. generally accepted auditing standards, the objective of which is the expression of an opinion on financial statements. Accordingly, we do not express an opinion. Had we performed additional procedures or had we performed an audit of the Great River Regional Waste Authority, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Lee County Attorney's Office, the Division of Criminal Investigation and the Attorney General's Office.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of the Great River Regional Waste Authority.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

May 19, 2006

Great River Regional Waste Authority
Investigative Summary

Background Information

The Great River Regional Waste Authority (the Authority) was created in 1988 in accordance with the provisions of Chapter 28E of the *Code of Iowa*. Members of the Authority include the cities of Fort Madison and Keokuk as well as Lee County, Henry County and, previously, the Iowa State Penitentiary. The governing body is referred to as the Commission and it consists of a representative from each of the members.

Prior to July 2004, a representative of the Iowa State Penitentiary acted as a Commission Member. According to minutes of Commission meetings found on the Authority's website, the representative no longer attended the meetings as a Commission Member after July 2004. In November 2004, the Authority received a written notice from the Attorney General's Office informing the Commission the Penitentiary would no longer participate in the 28E organization.

The Authority was formed to develop, operate and maintain solid waste and recycling facilities in Lee and Henry Counties on behalf of the governments which are members of the Authority. Operations include a landfill, recycling centers in Fort Madison and Keokuk, an organics recycling program and a transfer station. Products resulting from the organics recycling program include mulch, dirt, compost and similar materials. The products are marketed to retail vendors under the business name of "Earthly Goods."

Oversight of the solid waste and recycling facilities is performed by the Authority's Director, Tim Yoder. As Director, Mr. Yoder is responsible for day-to-day operations of the facility and operation of the business office. He reports to the Commission. Oversight of the daily operations of the Earthly Goods organics recycling program is performed by the Marketing Specialist, Robert Watson. Mr. Watson is also responsible for working with retailers to market the items produced. Each of the significant financial transactions of the Authority are summarized in the following paragraphs.

Receipts – The Authority's primary revenue sources are waste management fees paid by members and fees collected at the gate of the landfill for solid waste deposited by customers. In addition, the Authority sells mulch, dirt, compost and similar products through the Earthly Goods organics recycling program.

Fees collected at the gate are calculated based on the weight of the solid waste brought to the landfill. Vehicles transporting waste are weighed when they arrive at the landfill and again as they leave. The vehicle's weight is recorded by an electronic scale, captured by a computer and used to calculate the gate fee. Prenumbered, 2-part receipts, referred to as "gate receipts", are generated by the computer. A copy of the receipt is given to the customer and the second is retained by the Authority.

The scale operators in Fort Madison and at the Keokuk transfer station prepare a daily cash balancing spreadsheet that documents beginning cash, cash and checks collected, daily deposit and ending cash. Each office maintains a \$150 change fund.

Customers with an established charge account may charge their fee. The charge amounts are entered into the Authority's computer system which generates billings each month for each charge customer, including Earthly Goods charge customers. The gate charges are entered from the scale tickets and the Earthly Goods charges are entered from the order forms. Payments on charge accounts are received by mail. Mr. Yoder generally opens the mail but does not prepare a listing of checks received in the mail. He forwards payments on account to the appropriate staff

member who enters the receipt into the computer system. A staff member also prepares the daily deposits.

In 1995, a task force was appointed representing businesses, industry and residents of Lee County to make recommendations to the Authority pertaining to a proposed waste management fee. The goals established by the task force addressed permanently financing the Authority's debt, instituting a capital replacement fund, establishing a market competitive tipping fee and reinstating recycling services. The task force further recommended 31% of the waste management fee should be used for integrated solid waste management services, including recycling, 18% of the waste management fee should be used for capital replacement and the remaining 51% of the waste management fee should be used to retire debt. The task force also recommended 55% of the total waste management fee should be paid by commercial and industrial business users and 45% should be paid by residential users. In 1996, the Commission accepted the recommendations of the Waste Management Fee Task Force and approved the establishment of a waste management fee.

According to the Director, a pamphlet was issued to all Lee County residents in the summer of 1996. A copy of the pamphlet provided to us stated "The fee will be used to provide basic solid waste management services such as the processing of yard waste and recyclables, debt service on existing facilities, closing and monitoring existing landfills, capital replacement, and any other remaining costs of solid waste management not covered by 'gate fees.'"

According to the Director, all waste management fees received by the Authority are deposited into the General Fund. Money is used to make bond payments and payments on capital lease obligations. Based on our review of the Authority's audit reports, these payments are made from the General and Bond Sinking Funds. The remaining fees are left in the General Fund and expended without notation of their specific uses.

The waste management fees are also billed by an office staff member. Upon receipt, a staff member enters the payments into the computer system. Mr. Yoder indicated the Authority's accounting firm reconciles the billings, collections and outstanding accounts receivable, but a report is not prepared documenting the reconciliation.

Disbursements - Invoices are received by mail and routed to a member of the office staff who enters the invoices into the accounts payable system and stamps them "POSTED". The invoices are then filed in folders by vendor. The accounts payable system allows for checks to be automatically generated by the Authority's computer system. After checks are printed, they are provided to Mr. Yoder for signature. He signs them and stamps a countersignature. The signature stamp is kept in his desk. According to Mr. Yoder, he reviews the expenditure listing and invoices only if he has questions about a particular payment. A member of the office staff mails the checks after the disbursements are approved at a Commission meeting.

Manual checks are also issued for certain disbursements. According to Mr. Yoder, most manual checks are issued from non-General Fund bank accounts including Earthly Goods, Planning, Woodwaste and Retention. Manual checks may be issued for lodging, credit card payments and meals. A member of the office staff generally does not process invoices for these disbursements. Mr. Yoder processes the invoices and files the support in the vendor files. Copies of the manual checks are given to the Authority's accounting firm, which makes adjustments for the manual checks in the accounting system

A listing of disbursements is also presented to the Commission for approval. The listing includes both automatic (computer generated) and manual checks. According to Mr. Yoder, he gives a member of the office staff a list of the manual checks to be added to the list of automatic checks generated by the accounting system. The manual checks are not specifically identified but are presented at the bottom of the listing. The listing of disbursements is included in the packet

provided to Commission Members prior to the meeting. According to Mr. Yoder, the Commission typically approves the disbursements without reviewing the invoices. Invoices are reviewed only if a Commission Member has a question and requests the invoice.

Most checks are not issued until they have been approved by the Commission. Mr. Yoder believes the Commission passed a resolution to allow payment of bills up to a certain dollar amount prior to Commission approval. However, he was not able to locate a copy of the resolution for us to review.

Credit Cards - The Commission approved resolution 96-03 on September 20, 1995. According to the resolution, the Authority had 2 credit cards with State Central Bank (VISA) located in Fort Madison with individual card limits of \$500. The resolution authorized the Director to apply for 2 additional credit cards from Fort Madison Bank & Trust (Élan MasterCard) with a credit limit of \$1,500 per card. The resolution also authorized the Director and Marketing Specialist to use the cards for Authority expenditures up to, but not to exceed, \$500 per billing cycle unless the Commission pre-approved the related expenditures.

The Authority approved resolution 03-19 on October 30, 2002. According to the resolution, the Commission authorized Mr. Yoder “to use a company credit card to perform normal business transactions” and “the credit card shall be the same as other company credit cards”. According to Mr. Yoder, the resolution authorized a second Élan MasterCard credit card although this was not specified in the resolution. Also, the copy of the resolution provided to us had “be the same as” crossed out and “have a \$3,000 credit limit” hand-written on the copy. There was no evidence the Commission had amended the resolution for the handwritten change to a \$3,000 credit limit. A copy of the revised resolution is included in **Appendix 1**.

Mr. Yoder and Mr. Watson each have separate accounts and cards for VISA and Élan MasterCard. The Authority also has credit accounts established at Lowe’s, Wal-Mart, Menards and Hy-Vee. Credit cards for the retailers are kept in Mr. Yoder’s desk. Also, selected employees may incur in-store charges at Wal-Mart, Menards and Hy-Vee with a signed purchase order.

Credit card charges incurred by Mr. Yoder and Mr. Watson on the Authority’s VISA and MasterCard accounts between May 28, 2002 and January 11, 2005 totaled \$49,685.50. The charges are summarized in **Table 1**.

Table 1

Credit Card	MasterCard	VISA	Total
Watson	\$ 4,147.82	12,383.88	16,531.70
Yoder	7,259.44	25,894.36	33,153.80
Total	\$ 11,407.26	38,278.24	49,685.50

Payroll – While hourly employees complete manual timesheets, salaried employees do not record their time in any manner. Mr. Yoder enters all employees’ hours in an electronic spreadsheet provided to the Authority’s accounting firm. Using the spreadsheet and the pay rates established by the Commission, the accounting firm prepares the bi-weekly payroll records and pay checks. A signature stamp is placed on each check by a representative of the accounting firm and Mr. Yoder manually countersigns the checks. Some employee wages are electronically deposited to their bank accounts.

Leave forms have been established to request time off or to document sick leave used. The Authority's accounting firm also maintains the balances of vacation and sick leave for each employee. The firm prepares a report each pay period and the balances are shown on the employees' check stubs.

The Office of Auditor of State was requested to conduct an investigation of the Authority's financial transactions. We performed the procedures detailed in the Auditor of State's Report for the period July 1, 2002 through June 30, 2003. We also performed certain procedures for the fiscal years ended June 30, 2004 and 2005.

The procedures identified \$19,550.14 of improper disbursements, \$475,965.84 of questionable disbursements, \$120,565.67 of unsupported disbursements and \$294.25 of disbursements that may not meet the test of public purpose. The disbursements include payments to parties related to Authority employees and officials. All findings are summarized in **Exhibit A** and a detailed explanation of each finding follows.

Detailed Findings

As part of our investigation, we reviewed the procedures used by the Authority to process receipts, disbursements, customer billings and payroll. An important aspect of internal control is to establish procedures that provide accountability for assets susceptible to loss from error and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance that errors or irregularities will be noted within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the Authority's internal controls.

(A) Internal Control – In addition to the internal control weaknesses specified in the following findings, we determined:

1. A listing of mail receipts is not prepared by the mail opener.
2. Checks other than payroll do not include an independent countersignature because the second check signer, the Authority Director, has custody of the Commission Member's signature stamp and applies the countersignature.
3. Invoices and supporting documentation are not reviewed by an independent individual or the check signer prior to signing the check.
4. Reconciliations of billings, collections, delinquent account balances (accounts receivable) and write-offs were not documented.

Recommendation – Internal control over Authority transactions would be improved by implementing procedures that require the individual opening the mail to prepare a listing of the mail receipts. The listing should be reviewed and tested by an individual independent of the receipt process.

We recognize it is not always possible or practical to have a Commission Member available to sign all checks. In these instances, an independent individual should have custody, control and the ability to apply the countersignature to checks after reviewing the appropriate invoices and supporting documentation.

Reconciliations of billings, collections and delinquent account balances, including write-offs, should be prepared on a monthly basis and provided to the Commission for review. Write-offs, if any, should be reviewed and approved by the Commission.

(B) Potential Conflict of Interest – While the Authority’s Personnel Policy Handbook addresses “incompatible activities and conflict of interest,” the Authority does not have a written policy regarding competitive bidding requirements. Section 2.14 of the Handbook states the following, in part.

“Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in personal gain for that employee or for a relative as a result of GRRWA business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage or whose relationship with the employee is similar to that of persons who are related by blood. No ‘presumption of guilt’ is created by mere existence of a relationship with outside firms. However, if an employee has any influence on transactions involving purchases, contracts, or leases; it is imperative that he or she disclose to their Department Head, as soon as possible, the existence of any potential conflict of interest so that safeguards can be established to protect all parties. Employees may not receive any kickbacks, substantial gifts, or special consideration as a result of any transaction or business dealings involving GRRWA.

An employee shall never engage in any employment, activity, or enterprise that is inconsistent, incompatible, or in conflict with duties as an employee; or with the duties, functions and responsibilities of GRRWA.”

The spirit of Section 2.14 of the Handbook is consistent with Chapter 721 of the *Code of Iowa* which prohibits certain interests in public contracts. Specifically, section 721.11 of the *Code* states “Any officer or employee of the state or of any subdivision thereof who is directly or indirectly interested in any contract to furnish anything of value to the state or any subdivision thereof where such interest is prohibited by statute commits a serious misdemeanor. The section shall not apply to any contract awarded as a result of open, public and competitive bidding.”

We identified the following payments made to parties related to Authority employees or Commission Members in some manner.

- (1) After a competitive bidding process, the Authority entered into a contract in June 2001 with W.M. Johnson Truck Line, Incorporated for transporting municipal solid waste and certain recyclable commodities for the period July 1, 2001 through June 30, 2004. W. M. Johnson Truck Line, Incorporated is the employer of Commission Member Steve Ireland. Mr. Ireland became a Commission Member effective June 27, 2003. The contract with W.M. Johnson Truck Line, Incorporated was extended by the Commission for the fiscal ended June 30, 2005 as a result of competitive bidding and Mr. Ireland abstained from voting on the contract. We noted the following regarding payments to W.M. Johnson Truck Line, Incorporated:
 - 18 of 70 invoices tested were not properly supported since all or some of the scale tickets were missing. The unsupported portion of the invoices totaled \$22,497.50. This amount has been included in **Exhibit A**.
 - 19 of 70 invoices tested were not properly cancelled to prevent possible duplicate payment.

No other payments to the vendor have been included in **Exhibit A** because the relationship with W. M. Johnson Truck Line, Incorporated appears to have been established in an appropriate manner.

- (2) Between March 1, 2003 and December 31, 2004, the Authority purchased a significant amount of dirt to be used in the processing of Earthly Goods products, the Authority's organics recycling program. Dirt was purchased from Maureen Walsh, the wife of Commission Member Marc Lindeen, during the period March 1, 2003 through December 31, 2003. During July and August 2004, the Authority purchased dirt from Sinn Truck Line, Incorporated. Between August and December 2004, dirt was purchased from Henry County. All of the dirt was transported from the seller's site to the landfill by Sinn Truck Line.

The payments to Ms. Walsh are summarized in **Table 2**. The Authority paid Ms. Walsh \$5.00 for each ton of dirt. The Authority did not obtain bids prior to the purchases to ensure the Authority was paying a competitive price and to avoid a potential conflict of interest. In addition, the Authority did not issue an IRS form 1099 for any of the payments made to Ms. Walsh.

Table 2

Check Date	Number of Tons Purchased	Amount Paid	Purpose per check memo
06/27/03	2,768.33	\$ 13,841.65	Processing supplies for compost
07/25/03	1,286.72	6,443.60*	Processing supplies
09/26/03	3,262.98	16,314.90	Processing supplies
04/30/04	1,634.83	8,174.15	Processing supplies – compost
Total	8,952.86	\$ 44,774.30	

*- Ms. Walsh was overpaid by \$10 for this purchase. The Authority should have paid her \$6,433.60 for 1,286.72 tons of dirt at \$5.00 per ton.

The dirt purchased by the Authority was removed from farm property owned by Lindeen Farms, Inc. The officers listed for Lindeen Farms, Inc. on the Secretary of State's website include Marc Lindeen, Michael Lindeen and Ruth Lindeen. According to Mr. Yoder, Mr. Lindeen requested the checks be issued to Ms. Walsh rather than him "for farm operation tax purposes." According to Mr. Lindeen, he asked that the checks be issued to Ms. Walsh for "personal reasons." The endorsements on each of the 4 checks include Ms. Walsh's name. The countersignature on the check dated April 30, 2004 is Mr. Lindeen's.

The Commission did not solicit bids for the purchase of the dirt or take specific action to authorize the purchase of dirt from Ms. Walsh or Mr. Lindeen. As a result, the purchases of dirt from Ms. Walsh do not comply with requirements of Section 2.14 of the Authority's Handbook. With the exception of the June 27, 2003 payment, the payments were included on the listing of disbursements approved by the Commission.

In 2004, the Henry County Board of Supervisors issued a competitive bid to sell dirt. Mr. Lindeen is also a member of the Henry County Board of Supervisors. The Authority, the only bidder for the dirt, submitted a bid of \$5.00 per ton. Minutes from the Henry County Board of Supervisor's May 25, 2004 meeting state the following, in part:

"Opened bids for sale of topsoil. The one and only bid was received from Great River Regional Waste Authority for \$6.25 per cubic yards or \$5.00/ton. All loads will be weighed by GRRWA scales. Buyers will be responsible for excavation, loading, and transportation of soil from site. Buyer has 12 months to remove all material, but each lot must be completed with 12 weeks of starting... Payment for topsoil will be made monthly. It was moved by Lindeen and seconded by Young to accept the only bid for \$5.00/ton. Motion carried unanimously."

Although Mr. Lindeen sits on the Commission of the bidder and the Board of the County, he did not abstain from the Board's vote. He moved to accept the proposed cost per ton, which equaled the per ton price paid to his wife for earlier purchases of dirt. While this may appear to establish \$5.00 per ton as a reasonable fee, the bid was submitted after the payments were made to Ms. Walsh. As a result, the appearance of the Authority's potential conflict of interest with Ms. Walsh and Mr. Lindeen cannot be considered resolved.

According to Director, the dirt GRRWA purchased was high quality and couldn't be compared to purchases made by other entities. Even if we had been able to substantiate the cost per ton in some manner, the undisclosed relationship with Ms. Walsh and appearance of conflict of interest still remains. As a result, the \$44,774.30 paid to Ms. Walsh for the dirt has been included in **Exhibit A**.

During 2004, the Authority purchased an additional 11,536.07 tons of dirt at a cost of \$5.00 per ton. **Table 3** summarizes the amounts purchased, the vendors and the amounts paid.

Table 3

Dates Dirt Received	Vendor	Number of Tons Purchased	Amount Paid
July/Aug. 2004	Sinn Truck Line	4,495.78	\$ 22,478.90
Aug./Sept. 2004	Henry County	4,863.80	24,319.00
Oct. 2004	Henry County	1,076.76	5,383.80
Nov. 2004	Henry County	1,099.73	5,498.65
Total	Total	11,536.07	\$ 57,680.35

Sinn Truck Line, Incorporated is the former employer of the Director. Mr. Yoder was employed by Sinn Truck Line from 1993 through 1998. According to several employees we spoke with, Mr. Yoder continues to have a close personal relationship with his former employer. While the Authority purchased the services of Sinn Truck Line prior to Mr. Yoder's employment with the Authority, the level of services purchased from the vendor has increased significantly over the last several years.

The Authority does not have a written contract with Sinn Truck Line. The vendor transports Earthly Goods products, including topsoil, compost, manure, humus and potting soil to retail markets in a 5-state area. The vendor has also transported rock and other supplies needed for the Authority's operations.

According to the Director, the Authority obtained verbal quotes in November 2000 for transportation services, but has not followed a formal competitive bidding procedure for services provided by Sinn Truck Line. The transactions may represent a conflict of interest due to the absence of competitive bidding procedures.

During our fieldwork, we compared invoices from Sinn Truck Line to invoices from another vendor providing transportation services for the Authority to the same retailers at the same locations. Based on our review, the payments made to Sinn Truck Line exceeded the amounts paid to the other vendor for trips to the same location. The payments were based on a per mile rate. While the per mile rate paid to Sinn Truck Line was less than the per mile rate paid to the other vendor, Sinn Truck Line was paid for a round trip while the other vendor's mileage was paid only from Fort Madison to the retail establishment. Mileage for their return trip was not paid for by the Authority. Both vendors transported goods to the retailers but did not transport anything from the retailer back to the Authority.

Initially, the Director stated services were procured from Sinn Truck Line because no other local vendor could provide a truck with an attached fork lift. The fork lift was required to offload the products at the retailers. When we pointed out to the Director the other vendor was able to deliver products to the same retail establishments, he further stated Sinn Truck Line had provided the Authority with 3 “dedicated” trucks available at their disposal. For this convenience, the Director was willing to incur additional costs to the Authority.

We compared payments made to Sinn Truck Line and the other vendor for trips to 7 establishments in Kansas and Missouri between April 1 and June 30, 2004. The Authority paid Sinn Truck Line \$1,355.50 more for transporting goods to these establishments than it paid the other vendor.

Payments to Sinn Truck Line are summarized in **Table 4**. In addition to transportation services, the Authority purchased dirt, manure and a walking floor trailer from Sinn Truck Line. Because of the relationship with Sinn Truck Line, the total \$431,191.54 paid to the vendor has been included in **Exhibit A**.

Table 4

Purpose	07/01/02 – 06/30/03	07/01/03 – 06/30/04	07/01/04 – 01/31/05	Total
Transportation of Organics Recycling Products	\$ 13,888.60	117,182.18	42,240.80	173,311.58
Transportation of Dirt	6,725.52	66,495.68	92,074.72	165,295.92
Purchase of Dirt	-	-	22,478.90	22,478.90
Purchase and Transportation of Manure	-	1,814.70	5,576.40	7,391.10
Equipment	33,422.00	-	-	33,422.00
Other *	8,179.52	21,112.52	-	29,292.04
Amount	\$ 62,215.64	206,605.08	162,370.82	431,191.54

*- Includes excavation charges and transportation of supplies such as rock and wood waste.

Of the \$431,191.54 paid to Sinn Truck Line, \$165,295.92 was for transporting dirt purchased from Ms. Walsh, Henry County and Sinn Truck Line. The vendor was paid \$8.00 per ton to transport the dirt. The individual payments are included in **Exhibit B**.

Exhibit B also includes the amount of dirt purchased from all vendors. As illustrated by the **Exhibit**, in 2003 the Authority paid Sinn Truck Line to transport a greater amount of dirt than was purchased from Ms. Walsh. However, in 2004 the Authority paid Sinn Truck Line to transport less dirt than was purchased from Henry County. Because the Authority paid Sinn Truck Line to transport less dirt than was weighed for the purchases from Henry County, it appears Sinn Truck Line may not have included all loads on the invoices to the Authority. **Table 5** summarizes the variances we identified.

Table 5

Vendor	Tons of Dirt			Overpaid/ (Underpaid) Transportation Costs *
	Transported, per Sinn Truck Line#	Purchased & Weighed at Landfill^	Variance	
Maureen Walsh	9,152.65	8,952.86	199.79	\$ 1,598.32
Henry County	7,013.56	7,040.29	(26.73)	(213.84)
Total	16,166.21	15,993.15	173.06	\$ 1,384.48

- Agrees with invoices submitted by Sinn Truck Line.

^ - Agrees with vendor's invoice and the Authority's scale records.

* - Sinn Truck Line was paid \$8.00 per ton to transport the dirt.

In addition, the Authority paid Sinn Truck Line for more dirt than was weighed on the scale at the landfill when each load was delivered. **Table 6** summarizes the cost of the dirt and its transportation.

Description	Amount
Tons of Dirt:	
Purchased and transported, according to Sinn Truck Line invoices	4,495.78
Less: Weighed at landfill, according to Authority scale records	4,101.43
Tons of dirt not weighed in at landfill	<u>394.35</u>
Cost of dirt not weighed in at landfill (\$5.00 per ton)	<u>\$ 1,971.75</u>
Cost of transportation for dirt not weighed (\$8.00 per ton)	<u>\$ 3,154.80</u>

We were unable to determine the reason for the variances identified between the quantities of dirt transported and the quantities weighed and purchased.

We also identified additional variances between the amounts the Authority paid Sinn Truck line to transport other products and the amount of products recorded when the trucks were weighed when entering the landfill. We were unable to determine the reason for the variances.

- The Authority paid Sinn Truck Line for transportation of 133 loads of wood waste, but only 124 loads were weighed. The Authority paid \$110 per load.
- The Authority paid Sinn Truck Line for the purchase and transportation of 262.95 tons of manure. The payments were based on 4 invoices submitted by Sinn Truck Line. The amount of tons recorded on 2 of the invoices agreed with the amount of manure weighed at the landfill. The amount billed to the Authority on 1 invoice exceeded the amount weighed by 4.4 tons.

Based on the remaining invoice, the Authority paid for 76.62 tons of manure in July 2004. The invoice was dated July 2, 2004 and shows 4 loads (76.62 tons) of manure were sold and transported to the Authority.

However, when we compared the invoice to the number of tons of manure weighed at the landfill around that time period for Sinn Truck Line, we determined scale records showed a total of 12 loads of manure were delivered on July 1 and July 2, 2004 and they collectively weighed 273.86 tons.

Of the 12 loads, we were able to identify 4 loads for which the weight agreed with the amount billed to the Authority by Sinn Truck Line. However, we were unable to determine why the remaining 8 loads were identified as manure delivered by Sinn Truck Line. The Director was unable to provide an explanation.

Because the 8 additional loads were all recorded on July 2, 2004, which is also the date of the invoice prepared by Sinn Truck Line, it is possible the activity recorded in the scale records is for a party other than Sinn Truck Line.

We also identified 2 invoices submitted by Sinn Truck Line and paid by the Authority not properly supported because the invoices were not accompanied by the related freight tickets. Copies of the missing freight tickets were provided to the Authority by the vendor after our inquiry. The invoices totaled \$61,540.41.

The following additional instances of non-compliance with Commission procedures were identified.

- A payment of \$30,000.00 for a walking floor trailer was approved by Commission resolution but the payment was not included in the list of bills approved by the Commission and the purchase of the trailer was not competitively bid. Using various internet sources, we compared the price paid by the Authority to the price of similar trailers available. Based on our review, the amount paid by the Authority appears reasonable.
- Not all invoices were properly cancelled to prevent possible duplicate payment.

Recommendation – The Authority should implement procedures to ensure compliance with Section 2.14 of the Authority’s Personnel Policy Handbook. The Authority should also implement procedures that properly address incompatible activities and conflict of interest pertaining to the members of the Commission and consult legal counsel to determine the propriety and disposition of these potential conflicts of interest.

In addition, the Authority should establish a written policy pertaining to competitive bidding requirements.

As previously recommended, the Commission should also implement procedures to ensure invoices are not paid without adequate and complete supporting documentation and all invoices and supporting documentation are cancelled to prevent possible duplicate payment. Variances in amounts purchased and/or transported and weighed should be investigated and resolved in a timely manner, including explanatory documentation.

(C) Credit Cards/Charge Accounts – We reviewed the payments made by the Authority related to credit cards and charge accounts and identified the following concerns.

- The Commission has not established a written policy addressing the use of credit cards and/or charges to local businesses.
- Except for 12 charges, documentation such as an invoice or receipt was not available to properly support the purchase. Accordingly, we were unable to determine the propriety of the unsupported charges. **Table 7** summarizes the amount of unsupported credit card charges paid by the Authority. The total unsupported payments of \$47,009.43 have been included in **Exhibit A**.

Table 7

Description	Purchase Date	Amount
Total charges incurred (Table 1)		\$ 49,685.50
Less supported charges:		
Sears Roebuck	08/07/02	(818.92)
Shopko	01/08/03	(139.65)
Timberline Sign Co.	06/13/03	(900.00)
Hy-Vee	12/02/03	(42.80)
US Cellular	12/02/03	(24.95)
Kruse Implement Inc	07/23/04	(162.54)
E.G. Staats & Co.	07/25/03	(160.06)
Casey's General Store	07/27/04	(41.00)
Ritter's Inc FTD	08/02/04	(101.64)
Pizza Hut	08/05/04	(47.03)
Xerox Corp	08/09/04	(209.98)
Amoco Oil	09/07/04	(27.50)
Subtotal of supported charges		2,676.07
Total unsupported charges		\$ 47,009.43

- Most credit card payments were only supported by the monthly credit card statement. However, for 17 payments made during the period from July 1, 2002 through January 31, 2005, even the monthly statement was not available.
- Amounts paid to MasterCard and VISA did not always agree with the amount due as recorded on the statement balance and in several instances the amount paid exceeded the statement balance. Based on documentation available, we were unable to determine why the payment exceeded the amount due.
- The Authority periodically incurred late fees and finance charges for the credit cards. **Table 8** summarizes the late fees and finance charges paid during the period July 1, 2002 through January 31, 2005. The \$1,118.71 has been included in **Exhibit A**.

Table 8

Credit Card	Late Fees	Finance Charges	Total
MasterCard	\$ 455.00	242.39	697.39
VISA	135.00	286.32	421.32
Total	\$ 590.00	528.71	1,118.71

- In accordance with the resolution established by the Commission, charges in excess of the established limits required pre-approval. We identified charges in excess of the established limits but were unable to determine if any were pre-approved.
- The actual credit limits on the credit cards exceeded the amounts established by the Commission in its credit card resolutions. In addition, we were unable to determine the propriety of the hand-written change to increase the credit limit to \$3,000 on the 2003 resolution. A copy of the resolution has been included in **Appendix 1**.

Recommendation – The Authority should address the propriety and need for credit cards and/or charge accounts established at local businesses. If deemed allowable and necessary, the Authority should establish a written policy and implement procedures to address the use of credit cards and charge accounts to ensure the propriety for any and all charges.

The Authority should revise its resolution regulating the use of credit cards issued in the Authority's name. A written policy, at a minimum, should address who controls the credit cards, the individual(s) authorized to use the credit cards and for what purpose, as well as the types of documentation required to support charges and to demonstrate compliance with the test of public purpose.

Authority credit cards and charge accounts should be used only for purposes associated with Authority operations and all individual charges should be scrutinized, reviewed and approved by the Commission prior to payment. All credit card billing statements and supporting documentation should be required and retained. The Authority should review and revise procedures to avoid payment of late fees and finance charges.

Employees and officials should adhere to the Commission's resolution requiring pre-approval for charges exceeding the established limits. The pre-approval should specify the amount and individual charges authorized. Actual credit limits on the credit cards should not exceed the amounts established and authorized by the Commission in its credit card resolution. The Authority should review its credit limits and revise its resolution to specify the credit limit approved by the Commission. In addition, the credit card companies should be contacted to properly adjust existing credit limits.

(D) Travel Expenses Paid with Authority Credit Cards – During our review of purchases made with the credit cards, we identified a number of charges incurred for lodging, meals or other travel expenses. We identified the following concerns for the travel expenses paid with Authority credit cards.

- The Authority has not established a written travel policy and, accordingly, there were no limits in place for lodging, meals or other allowable travel expenses. In addition, travel expenses are not required to be supported by appropriate documentation. Charges for travel expenses did not include an explanation of the purpose of the travel and/or expense. None of the charges for the meals included receipts or other supporting documentation. For example, because receipts or other supporting documentation was not available, we are unable to determine the purpose of charges by Mr. Yoder and/or Mr. Watson during the period June 10, 2002 through January 4, 2005 which totaled \$6,044.39. These charges have been previously included in the charges summarized in **Table 7** and are included in **Exhibit A**.

In addition, several meal charges appeared to include payment for more than 1 individual. Documentation for the meal expenses were not maintained to identify the individuals included in the meal expense. We identified \$140.27 was charged at the Lone Star Restaurant in St. Charles, Missouri on October 12, 2003.

We were unable to determine the propriety of the charges or payment and/or reimbursement for these credit card charges.

- We also determined charges incurred on the credit card at local restaurants by employees while in non-travel status were not included in the taxable wages of the employee. These charges totaled \$3,414.47 during the period June 10, 2002 through January 4, 2005 and included \$1,136.28 for Mr. Yoder and \$2,278.19 for Mr. Watson.

Recommendation – The Authority should establish a written policy pertaining to travel and related travel expense. The policy should establish limits on lodging, meals and other allowable travel expenses as well as the documentation required to substantiate charges. Charges for travel should include an explanation of the purpose of the travel and/or expense including the names of individuals included in meal expense in order to validate the propriety of the charges and determine appropriate payment and/or reimbursement.

If the Commission determines meals at local restaurants are appropriate, the costs reimbursed to the employees or charged on credit cards should be included in their taxable wages. The Authority should consult legal counsel and the appropriate State and Federal agencies to determine the status and propriety of under-reported income on the W-2 statements for Mr. Yoder and Mr. Watson.

(E) Personal Expenses Paid with Authority Credit Cards - Employees and Commission officials were allowed to incur personal expenses on Authority credit cards. Amounts for personal expenses were not reimbursed to the Authority in a timely manner. During our review of charges on the Authority’s credit cards, we identified the following instances of personal expenses paid with Authority credit cards.

- **Trip to Florida:** In March 2003, Mr. Yoder, Mr. Watson, the Authority’s legal counsel and 3 Commission Members traveled to Florida to attend a training conference. Airline tickets were purchased on February 12, 2003 for \$3,366 for these individuals as well as 4 spouses and a child. Because supporting documentation for credit card and/or other expenses incurred during the trip was not available, we were unable to determine if additional personal expenses were incurred that should have been reimbursed to the Authority. Reimbursements made to the Authority for airfare expenses are summarized in **Table 9**. The reimbursements have been included in **Exhibit A**.

Table 9

Role at Authority/ Family Members	Date Reimbursed	Amount Reimbursed
Marc Lindeen, Commission Member/ Wife	04/04/03	\$ 306.00
John Emmet, Commission Member/ Wife and child	04/04/03	612.00
Tim Yoder, Director/ Wife	06/30/03	306.00
Robert Watson, Marketing Specialist/ Wife	04/01/05	306.00
Total		\$ 1,530.00

- **Trip to Texas:** In March 2004, Mr. Yoder, Mr. Watson, the Authority’s legal counsel and 2 Commission Members traveled to Texas to attend a training conference. The Authority’s legal counsel and his spouse paid for their own airline tickets. Airline tickets were purchased on February 4, 2004 for Mr. Yoder, Mr. Watson, the Commission Members and 2 spouses using the Authority’s credit card. The tickets for the 2 spouses were \$227.90 each. The tickets for the other 4 were \$267.90 each. A total of \$1,527.40 was charged to the Authority’s credit card for the airline tickets. In addition, to the individual airfare charges for the spouses of the Commission Member and Director, the Director identified additional personal

expenses for meals, transportation and/or room expenses charged to the Authority's credit cards that were reimbursed to the Authority. Because supporting documentation for expenses incurred during the trip was not available, we were unable to determine if all personal expenses that should be reimbursed to the Authority were identified. The personal expenses identified have been included in **Exhibit A** as part of the unsupported credit card payments.

As illustrated by **Table 10**, the Authority had not received reimbursements by the time we completed our fieldwork for all personal expenses incurred. The \$288.83 reimbursement received in April 2004 has been included in **Exhibit A**.

Table 10

Role at Authority/ Family Members	Date Reimbursed	Amount
Marc Lindeen, Commission Member/ Wife	04/12/04	\$ 288.83
Tim Yoder, Director/ Wife	None	347.13
Doug Napier, Legal Counsel/ Wife	None	41.24
Total		<u>\$ 677.20</u>

Recommendation – The Authority should not allow and/or pay for personal expenditures. Reimbursements, if any, should be made in a timely manner and prior to the payment of the credit card bill. In addition, the Commission should seek reimbursement for personal expenses not yet repaid to the Authority. We are unable to determine the propriety of amounts for personal expenses not yet reimbursed to the Authority.

(F) Director's Expense Reports – Each employee of the Authority incurring expenses in the course of their responsibilities is allowed to submit an expense report to seek reimbursement of the expenses. Expense reports typically include reimbursements for mileage, lodging, meal costs or other incidental expenses. The Authority approved a resolution in June 2000 to establish the mileage reimbursement rate to “emulate the rate established by the IRS.” During the period May 28, 2002 through February 10, 2005, Mr. Yoder was reimbursed \$6,874.36 for a total of 18,848 miles. We identified the following concerns regarding Mr. Yoder's expense reports.

- Expense reports seeking reimbursement for mileage were not adequately itemized. Claims did not consistently indicate a specific destination or purpose, even though the claim form included a column for “reason”. The “reason” column was sometimes left blank and often included “errands” as the explanation for the mileage incurred. In addition, instead of specific dates, the expense reports sometimes reflected mileage for several days or a week. Because the expense reports are not adequately itemized, we do not consider them supported. As a result, reimbursements to Mr. Yoder of \$3,209.34 have been included in **Exhibit A**.
- As summarized in **Table 11**, Mr. Yoder received reimbursement totaling \$683.77 for mileage between Fort Madison and Mt. Pleasant, his residence, during the period May 28, 2002 through February 10, 2005. The Authority has not established a policy and there is no apparent authorization to pay commuting mileage. As a result, the amount reimbursed has been included in **Exhibit A**. In addition, the reimbursement for commuting mileage was not included in Mr. Yoder's taxable wages as required.

Table 11

Calendar Year	Number of Instances	Amount Reimbursed
2002 (7 months)	2	\$ 20.80
2003	3	39.24
2004	36	445.93
2005 (1 1/3 months)	13	177.80
Total		<u>\$ 683.77</u>

- An expense report could not be located for a reimbursement payment made to Mr. Yoder on March 31, 2004 for \$428.40. This amount has been included in **Exhibit A**.
- An expense report submitted by Mr. Yoder included \$65.12 for a meal at the Pizza Hut in Clearwater, Florida and a statement indicating the Authority's Legal Counsel could vouch for the expense. This amount has been included in **Exhibit A**.
- Mr. Yoder received 2 reimbursement payments for a single expense report. The report included mileage to Des Moines on October 21, 2004. The resulting overpayment of \$117.75 has been included in **Exhibit A**.
- The mileage reimbursement rate established by Commission resolution was not applied consistently. Mileage was sometimes reimbursed at a rate less than the IRS rate. In addition, the mileage rate used for 2 expense reports exceeded the IRS rate. The reimbursements made on January 21, 2005 and February 21, 2005 included mileage reimbursement at the rate of \$0.405 per mile when the authorized IRS rate was only \$0.375. The IRS rate of \$0.405 was not approved until February 24, 2005. The amount overpaid to Mr. Yoder is calculated in **Table 12** and included in **Exhibit A**.

Table 12

Date of Payment	Number of Miles Reimbursed	Rate of Overpayment[^]	Amount of Overpayment
01/21/05	167	\$.03	\$ 5.01
02/21/05	433	.03	12.99
Total	600	.03	\$ 18.00

[^] - Difference between \$0.405 and \$0.375.

Recommendation – The Commission should review and revise its resolution regarding mileage reimbursement and develop a written policy requiring proper explanation and documentation. The policy should also address commuting mileage. All expense reports and supporting documentation should be retained and the established mileage rate should be applied consistently for all mileage reimbursements.

The Authority should consult legal counsel and the appropriate State and Federal agencies to determine the status and propriety of under-reported income on the W-2 statement for reimbursement provided to Mr. Yoder for commuting mileage.

In addition, Mr. Yoder should reimburse the Authority \$117.75 for the duplicate reimbursement received on October 21, 2004.

(G) Payroll – For the period July 1, 2002 through December 30, 2004, we selected certain payroll related payments to Mr. Yoder and Mr. Watson. For the payments selected, we reviewed and tested any records available related to payroll. As a result of our testing, we identified the following concerns.

- Mr. Yoder and Mr. Watson are salaried employees and do not complete timesheets to document hours worked and absences for vacation and sick leave. Forms required for vacation leave were not completed by Mr. Yoder and Mr. Watson. As a result, we are unable to determine the propriety of the vacation balances carried for Mr. Yoder and Mr. Watson and the vacation balances for which they received payouts. In addition, the Authority's Personnel Policy Handbook does not include a provision allowing payout of unused vacation. However, Mr. Yoder and Mr. Watson, who are still employed by the Authority, received \$4,400.00 and \$9,535.20, respectively, of vacation payouts which were not approved by the Commission. The total amount of \$13,935.20 has been included in **Exhibit A**.
- The Authority's Personnel Policy Handbook allows "double the employee's normal vacation time" to be carried over from 1 year to the next. However, it is unclear whether the policy is to be applied on a calendar year, fiscal year or anniversary date basis. The vacation balances carried over for Mr. Yoder at June 30, 2003 exceeded the amount allowed in the Personnel Policy Handbook, as did the amounts carried over for Mr. Yoder and Mr. Watson at December 31, 2003. Because the amounts paid to Mr. Yoder and Mr. Watson for vacation payouts has already been included in **Exhibit A**, the excess vacation carried over is not included in **Exhibit A**.
- Mr. Yoder's vacation accrual was not increased at his 6-year anniversary on October 26, 2004 in accordance with the Handbook. Between October 26, 2004 and March 15, 2005, Mr. Yoder should have accrued approximately 5 additional hours of vacation, valued at approximately \$150.00.
- Mr. Watson received a cost of living adjustment (COLA) increase in July each year, consistent with the union agreement, even though he is not a member of the union. According to Mr. Yoder, all non-union employees received the COLA increase. The Commission has not approved a COLA increase for Mr. Watson or other non-union employees. Between July 1, 2003 and December 31, 2004, Mr. Watson received additional compensation of \$2,868.40 for the COLA increases. This amount has been included in **Exhibit A**. An amount was not readily available for other non-union employees who also received the COLA increases.
- According to the Authority's Personnel Policy Handbook, "Longevity pay shall be paid to all full-time employees of GRRWA for stated periods of time as follows: Any employee who has completed continuous service of five (5) years or more shall receive \$12.50 per month. After ten (10) years or more of continuous service the employee shall receive \$25.00 per month. This amount will be annualized and divided by 2080 hours and added to the paycheck of the employee commencing on the payroll which follows the payroll period during which the anniversary date occurred on when the employee completed the required years of continuous service. Longevity pay is taxable income. FICA, Federal, Medicare, State and IPERS withholding will all be taken out of this amount."

Longevity pay appears to be overpaid because the monthly amount stated in the Personnel Policy Handbook is divided in half and included as pay for each bi-weekly pay period. As a result, it is distributed 26 times per year rather than in 24 payments as provided in the Personnel Policy Handbook. Because we tested payroll amounts for Mr. Watson, we were able to determine the miscalculation of longevity pay resulted in \$12.46 of overpayments to Mr. Watson. Mr. Yoder does not receive longevity pay. The overpayments are minimal and occurred for additional

employees of the Authority. Because the amounts are not significant, we did not review or calculate overpayments for longevity pay for other employees. The miscalculations are not included in **Exhibit A**.

- Mr. Watson is allowed to use an Authority-owned vehicle to commute to and from work. This personal use has not been included in the taxable wages of Mr. Watson.
- During December 2004, Mr. Yoder charged at least 2 and possibly 3 days as “regular” working days during time he was in Texas on a family vacation. We were not able to determine the specific number of days because the date Mr. Yoder stated he returned to work conflicted with information on his cellular phone bills for that date. The bill indicates calls were made as late as 3:40 in the afternoon in the area of Jefferson City, Missouri. When we discussed the discrepancy with Mr. Yoder, he stated the recording of his time was on the “honor system.”

Commission Member Lindeen stated he was aware Mr. Yoder was paid “regular” salary while on vacation. However, we were unable to find where the Commission authorized or approved Mr. Yoder to receive “regular” pay rather than vacation pay while on vacation. Commission Member Lindeen further stated the number of days for which Mr. Yoder was to be paid was up to Mr. Yoder to determine.

Because recording “regular” workings days in lieu of vacation cannot properly be approved by a sole Commission Member, we have included the costs related to 2 days of paid time in **Exhibit A**. We did not include the third possible day of leave taken without charging vacation because we cannot definitively determine when Mr. Yoder returned to work. The \$524.97 included in **Exhibit A** includes the Association’s shared payroll taxes.

- In accordance with the Commission’s approval, Mr. Watson receives a 1% sales commission for products sold through Earthly Goods. We identified a \$548.38 sales commission check issued to Mr. Watson dated November 4, 2003. This payment was not included in payroll and was not reported as taxable wages on Mr. Watson’s W-2. In addition, a 1099 was not issued to him for calendar year 2003 or 2004. We did not identify any additional payments made to Mr. Watson for sales commission.

Recommendation – Procedures should be implemented to ensure all employees complete timesheets to document hours worked and approved absences. The Commission should approve all vacation payouts prior to payment and should review the vacation balances of all employees for compliance with the Personnel Policy Handbook. In addition, the Handbook should be revised to clarify whether amounts of vacation allowed to be carried over pertains to calendar year, fiscal year or anniversary date.

The Commission should determine the propriety of the COLA increases and longevity payments made to Mr. Watson and other employees. The Commission should also address whether reimbursement should be requested from Mr. Watson for payments made to him without Commission approval. In the future, the Commission should approve all adjustments to wages.

The Commission should consult legal counsel and the appropriate State and Federal agencies to determine the status and propriety of under-reported income on the W-2 statement for Mr. Watson. In addition, the Authority should review and modify its policies and procedures to ensure compliance with IRS regulations governing personal use of Authority vehicles.

In addition, the Commission should review and determine the propriety of the hours charged as “regular” working days rather than “vacation” days during Mr. Yoder’s vacation and make any adjustments deemed appropriate. Commission Member

Lindeen's acknowledgement of the arrangement does not validate the action since the Commission did not authorize the action.

- (H) - Expenditures** – We reviewed certain payments made by the Authority during the fiscal years ended June 30, 2003 and 2004 to determine if they were properly approved and supported, if invoices were properly cancelled after payment, if endorsements were reasonable and countersignatures were appropriate and if the payments met the test of public purpose. In addition to the concerns included in the previous **Findings**, we identified the concerns summarized in **Table 13**.

Table 13

Description	Unsupported	May Not Meet Test of Public Purpose
• 13 of 51 payments tested were not properly supported	\$ 47,355.88	-
• A payment to Staples included \$29.00 of late fees and \$22.48 of finance charges. The payment was described as "office supplies".		51.48
• Car care products from Wal Mart		32.71
• Purchase for Pizza Hut for safety incentive reward for GRRWA staff		50.85*
• Plant for customer from The Greenhouse & Flower Cottage		50.00
• Prime rib dinner from HyVee for safety incentive reward for GRRWA staff		83.46*
• 10 fruit baskets for haulers, Authority's law firm and Authority's accounting firm; food for meetings and open house from HyVee		567.52*
• Food (cookies and candy) for planning meeting from HyVee paid from solid waste fees		34.41*
• Clock recognizing Commission Member John Emmet from E.G. Staats		160.06
Subtotal	47,355.88	1,030.49
Less: Unsupported disbursements		736.24
Total taken to Exhibit A	\$ 47,355.88	294.25

* These payments were not properly supported and have been included in the \$47,355.88 shown. The explanation shown was provided by Director. Because the Authority does not have a policy for a safety incentive reward program or one that allows food purchases for meetings and other events, the payments do not meet the test of public purpose.

Of the 13 payments not properly supported, 3 were made to a vendor that leases, sells and repairs equipment. The 3 payments total \$35,040.52. Of the remaining payments, 4 totaling \$7,829.44 were for registration fees and travel costs that appear related to conferences. However, as with all payments that are not properly supported, we are unable to determine the propriety of the transaction.

The unsupported payments of \$47,335.88 have been included in **Exhibit A** as has the \$294.25 spent that may not meet the test of public purpose.

We also identified the following disbursements that did not comply with procedures established by the Commission. These payments have not been included in **Exhibit A** because they were approved by the Commission or appear to be appropriate for Authority operations.

- The Commission approved a resolution in May 2004 to purchase used bagging equipment for \$55,000. An invoice to support the purchase was not available. The payment on July 13, 2004 was made with a cashier's check which was not included in the list of bills approved by the Commission.
- 5 of 51 payments tested were properly supported but not properly approved for payment by the Commission.
- A check issued to Drury Plaza Hotel totaling \$2,304.19 did not include a countersignature.

Recommendation – According to an Attorney General's opinion dated April 25, 1979, it is possible for certain expenditures to meet the test of serving a public purpose under certain circumstances, although such items will certainly be subject to a deserved close scrutiny. The line to be drawn between a proper and improper purpose is very thin.

The Commission should determine and document the public purpose served by all disbursements before authorizing payments. If this practice is continued, the Commission should establish written policies and procedures, including the requirement for proper documentation. The Commission should consult independent legal counsel, determine the propriety of the identified disbursements and seek reimbursement of any unallowable disbursements.

The Commission should also implement procedures to ensure all disbursements are approved by the Commission and properly supported by an invoice prior to payment.

In addition, procedures should be implemented to ensure all checks are properly countersigned. As previously noted in **Finding (A)**, we recognize it is not always possible or practical to have a Commission Member available to sign all checks. In these instances, an independent individual should have custody, control and the ability to apply the countersignature to checks.

(I) Waste Management Fee – As previously stated, the Commission approved using 31% of the waste management fees collected for integrated solid waste management services, 18% for capital replacement and 51% for debt retirement.

The waste management fees collected have not been separately tracked in the Authority's accounting system. At our request, the Director compiled a summary of the fees collected and how they were used during fiscal years 1998 through 2005. This summary is included in **Exhibit C**.

We were able to trace the waste management fees, the principal and interest paid to retire bonds and the principal payments for capital lease obligations to the Authority's audit reports for fiscal years 1998 through 2003. However, the remaining uses of the waste management fees are not specified in the audit reports or separately tracked in the Authority's accounting system. The Director identified some of the remaining waste management fees were used to pay the principal due on a loan from the Iowa Department of Natural Resources. We were able to confirm these payments with information in the Authority's audit reports. Because of this reaudit, audit reports have not been completed for fiscal years 2004 and 2005.

As illustrated in **Exhibit C**, the waste management fees have been used for the purposes approved by the Commission. However, the amounts used have not been in compliance with the distribution of the fees approved by the Commission. **Table 14** summarizes how the fees were used.

Table 14

Fiscal Year	Debt Retirement	Capital Replacement	Integrated Solid Waste Management Services
Established Rates	51.0%	18.3%	31.0%
1998	83.7%	8.4%	7.9%
1999	92.1%	11.0%	(3.1%)
2000	78.2%	9.8%	12.0%
2001	86.8%	7.3%	5.9%
2002	85.5%	6.6%	7.9%
2003	65.9%	14.0%	20.1%
2004	63.2%	12.3%	24.5%
2005	58.7%	12.2%	29.1%
Total all FYs	76.4%	10.2%	13.4%

According to Authority officials, “The percentage of waste management fee used for debt service is not a decision of the Commission. It is dictated by the debt retirements schedule. Thus the percentage of the waste management fee used in different areas is not something that can be controlled.”

Recommendation – The Authority should implement procedures to properly record and monitor the use of the waste management fees.

In addition, the Commission should ensure the fees are used in accordance with the distribution approved by the Commission in 1995. Alternatively, the Commission may modify the distribution previously established in order to allow the waste management fees to be used in a manner that meets the obligations of the Authority.

(J) Delinquent Accounts - The Commission does not have a written policy regarding delinquent accounts for uncollected waste management fees. Except for 10 commercial accounts and an agreement with Fort Madison pertaining to a sewer project, the Authority does not attempt to collect delinquent waste management fees.

According to an information pamphlet prepared by the Authority, unpaid waste management fees “shall constitute a lien upon such real property served by the projects of the Authority and shall be collected in the same manner as general taxes and may also result in interruption of municipal services.” We are unable to determine the statutory authority and propriety of this procedure and we were unable to determine whether this procedure has been followed.

According to Mr. Yoder, some local governments and residents have refused or discontinued payment of the waste management fee. As of August 16, 2005, residential accounts receivable totaled \$789,559, of which \$721,702 was more than 30 days overdue. In addition, the commercial/industry accounts receivable totaled \$1,207,106, of which \$1,160,111 was more than 30 days overdue.

Recommendation - The Commission should establish a written policy regarding delinquent accounts for all users and the policy should be adhered to consistently. Legal counsel should be consulted regarding appropriate action available to the Authority to collect the significant number and dollar amount of delinquent accounts in a timely manner.

As previously noted in **Finding (A)**, the Authority should reconcile billings, collections and delinquent account balances, including write-offs, on a monthly basis and provide these

to the Commission for review. Write-offs, if any, should be reviewed and approved by the Commission.

(K) Solid Waste Tonnage Fees – In accordance with section 455B.310 of the *Code of Iowa*, the Authority retains a portion of the solid waste tonnage fees collected. According to this statute, the Authority should be retaining \$.95 per ton. The Authority collects and reports tonnage fees retained at \$.95 per ton in the Quarterly Solid Waste Fee Schedule & Retained Fees Report to the Department of Natural Resources (DNR). However, the Authority is only transferring \$.70 per ton to the Authority's retention fund.

During the fiscal year ended June 30, 2003, 2 disbursements were made that were not included in the Quarterly Solid Waste Fee Schedule & Retained Fees Report to DNR. They included \$67 paid to the Daily Democrat and \$4,435 paid to the City of Keokuk for a recycling trailer.

Of the disbursements we tested from the retention fund, 2 of 12 did not have proper supporting documentation. Both of the payments have already been included in **Exhibit A. Table 13** includes \$3,600 for 1 of the disbursements. The other disbursement of \$3,641 was paid with a credit card and was previously included in the **Exhibit** as part of **Table 7**.

Recommendation – The Authority should consult with DNR regarding its failure to transfer the full retainage and the inaccurate reports filed. In addition, disbursements should not be paid without supporting documentation and all supporting documentation should be retained.

(L) Nepotism – The Authority's Personnel Policy Handbook addresses employment of relatives (nepotism) in section 2.9 and states, "It is the policy of GRRWA to observe and support the philosophy of equal employment opportunity in all hiring decisions. In addition, nepotism (meaning favoritism that is based on either a blood or marital relationship) is also to be avoided. While this does not mean that relatives cannot work together here; it does mean that our policy is to be selective in the work assignments that relatives might receive. Chapter 71 of the Iowa Code shall apply when appropriate."

Chapter 71 of the *Code of Iowa* states, in part, "It shall hereafter be unlawful for any person elected or appointed to any public office or position under the laws of the state or by virtue of the ordinance of any city in the state, to appoint as deputy, clerk, or helper in said office or position to be paid from the public funds, any person related by consanguinity or affinity, within the third degree, to the person elected, appointed, or making said appointment, unless such appointment shall first be approved by the officer, board, council or commission whose duty it is to approve the bond of the principal; provided this provision shall not apply in cases where such person appointed receives compensation at the rate of six hundred dollars (\$600), per year or less."

The following employee relationships exist:

- Nathan Watson, son of Robert Watson, Marketing Specialist
- Derek Hamm, son of Wade Hamm, Landfill Supervisor
- Jordan and Joel Hill, sons of Dan Hill, Supervisor
- Heather and Ryan Wellington, daughter and son-in-law of Dan Hill, Supervisor

The amounts paid to Nathan Watson exceeded \$600 for the fiscal year ended June 30, 2003. The amount for Heather Wellington also exceeded \$600 for fiscal year 2005. The statutory limitation established by the *Code of Iowa* is \$600. The other individuals had not yet exceeded the \$600 statutory limitation for the fiscal year ended June 30, 2005 by the date we finished our fieldwork.

Mr. Yoder indicated he had approved the hiring of each of the individuals listed. However, we were unable to locate documentation of the Commission's approval of the hirings and/or salaries for the individuals, in accordance with Chapter 71 of the *Code of Iowa* and the Commission's personnel policy.

Recommendation – The Commission should approve the hiring and salary levels for all individuals with relatives already working for the Authority in accordance with Chapter 71 of the *Code of Iowa*. The Commission should also review and determine whether its personnel policy and/or procedures should be revised to address and/or clarify these requirements.

(M) Cellular Phones – The Authority has 5 cellular phones assigned to 5 employees. The Authority does not have a policy regarding the use of its cellular phones. We were unable to determine the propriety of incoming calls or calls made to other cellular phones. We were also unable to determine the propriety of certain outgoing calls. For some outgoing calls, we were able to identify the party called by identifying the phone number via the internet. The Authority paid federal excise tax and state and local sales tax on its cellular phone bills. We did not summarize all payments made by the Authority for cellular phone bills. As a result, we do not know the total amount paid for taxes.

Our review of 2 cellular phone bills identified costs for personal calls consisting of \$156.94 on the October 31, 2003 bill and \$126.40 on the April 30, 2004 bill for a total of \$283.34. The phone calls were made to employees' homes and family members. We reviewed calls to certain parties with Authority employees and determined they were personal in nature. Mr. Yoder stated he reviews the cellular phone bills for personal calls but employees have not reimbursed the Authority for any personal calls. The \$283.34 identified has been included in **Exhibit A**.

Recommendation – The Authority should establish a written policy specifying the appropriate use of Authority-owned cellular phones. Use of the cellular phones should be limited to operations related to the Authority. Procedures should be reviewed and revised regarding the Director's review of the cellular phone bills. The cost of personal calls that result in excess charges to the Authority should be reimbursed to the Authority in a timely manner.

State and local sales tax should not be paid by the Authority because it is a governmental entity established under Chapter 28E of the *Code of Iowa*.

(N) Request for Proposal for Audit – The Authority's audit for the fiscal year ended June 30, 2003 was not awarded through a request for proposals (RFP) process. According to Mr. Yoder, "there was no written RFP for the fiscal 2003 audit." When asked about the RFP for 2003, Mr. Yoder also provided the following statement:

"Resolution 01-21, which can be found in the February 28, 2001 meeting minutes, was passed for FY01 and FY02. Administrative discussion with legal counsel, Douglas Napier and Chairman Tracy Vance, it was concluded that there was not a need for an RFP for audit procedures and allowed Mr. Yoder to make an administrative decision on continuing with Walker, Egerton and Hunsaker."

Section 11.6(2)(a) of the *Code of Iowa* states "A city, community college, school district, area education agency, entity organized under Chapter 28E, county, county hospital, or memorial hospital desiring to contract with or employ certified public accountants shall utilize procedures which include a request for proposals."

Recommendation – The Authority should comply with Section 11.6(2)(a) of the *Code of Iowa* and utilize a request for proposals process when seeking to contract with a certified public accounting firm for the annual audit. Consistent with advice provided

by the Attorney General, “the phrase ‘request for proposals’ contemplates a competitive process in which auditors interested in performing these services are allowed to offer proposals to the public body.” Accordingly, we do not believe a verbal agreement would satisfy this requirement.

- (O) Open Records Policy** – Section 22.3 of the *Code of Iowa* states, in part, “The lawful custodian may adopt and enforce reasonable rules regarding the work and the protection of the records against damage or disorganization.” This section also provides guidance regarding supervision, fees and time and place of the examination of public records.

The Authority drafted a public information policy for Commission approval. However, the policy was not approved at the June 23, 2004 or July 30, 2004 meetings when it was submitted for review and approval.

Recommendation – The Commission should establish and approve a policy in compliance with Chapter 22 of the *Code of Iowa*.

- (P) Agreement with Phillips Pallets** - The Authority and Phillips Pallets have an arrangement whereby the Authority purchased bagging equipment which will be kept and used by Phillips Pallets to establish a bagging operation. The only documentation of the arrangement was in a letter of understanding dated September 15, 2004. A formal written agreement does not exist and we found no evidence of the Commission approving this arrangement. As previously noted in **Finding (G)**, the Commission approved the \$55,000 purchase of the bagging equipment in May 2004.

According to the letter of understanding from Phillips Pallets, in addition to the equipment provided, the Authority is to pay \$1,000 per month for industrial floor space; \$200 per month for outdoor storage, \$.10 per bag for product handling and \$3.25 per month for each pallet used. Except for a \$.40 reduction in the pallet cost from \$3.65 to \$3.25, we were unable to determine the benefit, if any, to the Authority under this arrangement. The Authority had not made any payments to Phillips Pallets by the time we completed our fieldwork.

Recommendation – The Commission should consider and document the public purpose served by this arrangement with Phillips Pallets. The public purpose should be documented in the minutes record. In addition, the Commission should formalize its agreement with Phillips Pallets

- (Q) Compost Building Project** – The Authority requested quotes and received 1 response, but did not obtain competitive bids for the compost building project. As stated previously, the Authority does not have a policy pertaining to competitive bidding requirements. Also, a sales tax refund was not requested or received for the compost building project. According to the written quote received, sales tax was included in the total cost of \$35,960 and, accordingly, the sales tax refund would have been in excess of \$1,700. Because we are unable to determine what amount of sales tax, if any, was paid by the Authority, we have not included this in **Exhibit A**.

Recommendation – As previously recommended, the Authority should establish a policy pertaining to competitive bidding requirements. The Authority should also implement procedures requiring contractors to obtain the sales tax certification and to ensure sales tax, if paid, is refunded to the Authority.

Great River Regional Waste Authority

Exhibits

Great River Regional Waste Authority

Summary of Findings
 For the period July 1, 2002 through June 30, 2003
 and Selected Activity through June 30, 2005

Description	Finding	Page Number	Table Number
Disbursements:			
Missing scale tickets for payments to W.M. Johnson Truck Line	B	11	-
Payments to Maureen Walsh for dirt	B	12	Table 2
Payments to Sinn Truck Line	B	14	Table 4
Credit card payments	C	17	Table 7
Late fees and finance charges on credit cards	C	17	Table 8
Reimbursements to Mr. Yoder	F	20	-
Expense reports submitted by the Director	F	20/21	Table 11
Missing expense report	F	21	-
Charge at Pizza Hut	F	21	-
Duplicate reimbursement	F	21	-
Overpayment on Mr. Yoder's mileage reimbursement	F	21	Table 12
Unapproved vacation payouts to Mr. Yoder and Mr. Watson	G	22	-
Unapproved cost of living adjustments to Mr. Watson	G	22	-
Unrecorded use of vacation by Mr. Yoder	G	23	-
Various payments	H	24	Table 13
Personal cell phone calls	M	28	-
Less: Reimbursements			
Airfare to Florida	E	19	Table 9
Airfare to Texas and other expenses	E	20	Table 10
Total			

Because appropriate documentation was not available to support the disbursement, we are unable to determine propriety of the payments and if the test of public purpose was met.

	Improper Disbursements	Questionable Disbursements	Unsupported Disbursements #	May Not Meet Test of Public Purpose
\$	-	-	22,497.50	-
	-	44,774.30	-	-
		431,191.54		
	-	-	47,009.43	-
	1,118.71	-	-	-
	-	-	3,209.34	-
	683.77	-	-	-
	-	-	428.40	-
	-	-	65.12	-
	117.75	-	-	-
	18.00	-	-	-
	13,935.20	-	-	-
	2,868.40	-	-	-
	524.97	-	-	-
	-	-	47,355.88	294.25
	283.34	-	-	-
	19,550.14	475,965.84	120,565.67	294.25
	-	-	(1,530.00)	-
	-	-	(288.83)	-
\$	19,550.14	475,965.84	118,746.84	294.25

Great River Regional Waste Authority

Comparison of Quantities of Dirt Purchased and Transported
For the period July 1, 2002 through June 30, 2003
and Selected Activity through June 30, 2005

Dirt Purchases			
Dates Loads Received	Purchased From	Tons ^	Rate per Ton
2003:			
03/26/03 to 06/24/03	Maureen Walsh	2,768.33	\$ 5.00
06/25/03 to 07/16/03	Maureen Walsh	1,286.72	5.00
07/22/03 to 09/03/03	Maureen Walsh	3,262.98	5.00
10/08/03 to 12/03/03	Maureen Walsh	1,634.83	5.00
Total for 2003		<u>8,952.86</u>	
2004:			
07/09/04 to 08/06/04	Sinn Truck Line	4,495.78	5.00
08/23/04 to 09/30/04	Henry County	4,863.80	5.00
10/01/04 to 10/12/04	Henry County	1,076.76	5.00
11/12/04 to 11/26/04	Henry County	1,099.73	5.00
Total for 2004		<u>11,536.07</u>	
Grand total		<u><u>20,488.93</u></u>	

^ - Agrees with vendor's invoice and the Authority's scale records.

Dirt Transported by Sinn Truck Line, Inc.

Invoice Date	Number of Loads	Number of Tons	Rate per Ton	Amount Paid	Variance in Tons
05/03/03	33	840.69	\$ 8.00	\$ 6,725.52	
07/07/03	80	2,125.38	8.00	17,003.04	
07/07/03	44	1,122.02	8.00	8,976.16	
08/08/03	50	1,337.73	8.00	10,701.84	
08/08/03	41	1,027.78	8.00	8,222.24	
09/04/03	26	680.51	8.00	5,444.08	
09/04/03	16	401.23	8.00	3,209.84	
11/07/03	25	589.13	8.00	4,713.04	
11/07/03	26	690.18	8.00	5,521.44	
12/09/03	3	73.44	8.00	587.52	
12/09/03	10	264.56	8.00	2,116.48	
		<u>9,152.65</u>			199.79
08/09/04	176	4,495.78	8.00	35,966.24	
08/10/04	75	1,982.47	8.00	15,859.76	
10/10/04	132	3,424.89	8.00	27,399.12	
11/12/04	18	479.78	8.00	3,838.24	
12/03/04	43	1,126.42	8.00	9,011.36	
		<u>11,509.34</u>			(26.73)
		<u>20,661.99</u>		<u>\$ 165,295.92</u>	<u>173.06</u>

Great River Regional Waste Authority

Use of Waste Management Fees
For Fiscal Years 1998 through 2005

	<u>1998</u>		<u>1999</u>		<u>2000</u>		<u>2001</u>	
Waste Management Fees	\$ 1,377,618		1,224,489		1,446,880		1,304,485	
Uses:								
Bonds Retired/Interest Paid	1,153,148	83.7%	1,127,790	92.1%	1,131,253	78.2%	1,132,480	86.8%
Capital Lease Obligations**	115,911	8.4%	134,959	11.0%	141,297	9.8%	95,007	7.3%
Subtotal	<u>1,269,059</u>		<u>1,262,749</u>		<u>1,272,550</u>		<u>1,227,487</u>	
Balance used for integrated solid waste management services	\$ 108,559	7.9%	(38,260)	(3.1%)	174,330	12.0%	76,998	5.9%

** - Includes principal payments only.

2002		2003		2004		2005		Cumulative Total	
<u>1,692,216</u>		<u>1,432,559</u>		<u>1,415,776</u>		<u>1,532,947</u>		<u>11,426,970</u>	
1,446,391	85.5%	944,650	65.9%	895,069	63.2%	899,395	58.7%	8,730,176	76.4%
112,306	6.6%	200,249	14.0%	173,858	12.3%	186,975	12.2%	1,160,562	10.2%
<u>1,558,697</u>		<u>1,144,899</u>		<u>1,068,927</u>		<u>1,086,370</u>		<u>9,890,738</u>	
<u>133,519</u>	7.9%	<u>287,660</u>	20.1%	<u>346,849</u>	24.5%	<u>446,577</u>	29.1%	<u>1,536,232</u>	13.4%

Great River Regional Waste Authority

Staff

This review was performed by:

Susan D. Battani, CPA, Director
Annette K. Campbell, CPA, Director
Donna K. Kruger, CPA, Senior Auditor II
Jessica Christensen, Assistant Auditor
Richard W. Reeves, Jr., Assistant Auditor



Tamera S. Kusian, CPA
Deputy Auditor of State

Appendix

Great River Regional Waste Authority

Copy of Commission Resolution

Resolution No. GRRWA 03-19
RESOLUTION AUTHORIZING A CREDIT CARD FOR THE AUTHORITY DIRECTOR

BY THE COMMISSION:

WHEREAS, the Great River Regional Waste Authority (hereafter "Authority") exists to serve the waste management needs of the cities of Donnellson, Fort Madison, Franklin, Hillsboro, Houghton, Keokuk, Montrose, St. Paul, and West Point and the un-incorporated areas of Lee and Henry Counties to manage the solid waste generated within the Authority in a cost-effective and environmentally sound manner; and

WHEREAS, the Authority has prepared a Comprehensive Solid Waste Management Plan to manage the waste generated within the Authority; and

WHEREAS, the Authority provides integrated waste management services to its members through the operation of solid waste transfer stations, a recycling center, wood and yard waste management facilities, and a sanitary landfill; and

WHEREAS, the Authority recognizes the need for a credit card for the Authority Director to perform normal business transactions.

NOW, THEREFORE, upon the motion of Emmett, member of the Commission, seconded by Dunk

Be it Resolved by the Great River Regional Waste Authority Commission That:

Section 1: The Commission hereby authorizes the Authority Director to use a company credit card. The Commission recognizes the need of allowing the Authority Director to use a company credit card to perform normal business transactions. The credit card shall ~~be the same as other company credit cards.~~ *have a \$3000 credit limit*

Section 2: Compliance with Open Meeting Law: It is hereby determined that all formal actions of the Great River Regional Waste Authority relating to the adoption of this Resolution were taken in an open meeting of the Commission and that all deliberations of the Commission were in meetings open to the public and in compliance with all legal requirements, including Chapter 21, Iowa Code.